The NATIONAL UNDERWRITER

62nd Year, No. 6

The National Weekly Newspaper of Fire and Casualty Insurance

Feb. 7, 1958

Study Idea Of Presenting Story Of Insurer Results More Realistically

By KENNETH O. FORCE

In publicizing their results, the practice of insurers over the years been to emphasize their assets, the increases in them, and other fea-tures of their banking operations, rather than to give the public an accurate picture of how they fared in the insurance business.

This has helped convince the public of the financial strength and solidity of the companies-though the hazard of being caught insured in an individually weak company still exists and more so today than for some

However, the practice also has had

its effect in (1) convincing members afoot to do just this, to alter the manof the public that the insurers are inexhaustible pools of money to which there should be generous access in case of claim, loss or suit: and in (2) influencing insurance departments to display a mounting tendency to point to over-all financial results of the companies, the gains in assets, etc., as they resist or disapprove rate increases.

Perhaps it is time for the companies to start publicizing their last year's results in a way that will not give the public an exaggerated impression of how extremely well off they are.

There is presently a movement

ner in which the companies display and discuss their results. This is presently in the idea stage, but it is expected to have some effect on the way in which companies talk about their figures for 1957, and undoubtedly there will be some long term effects. What is being discussed is how the companies themselves should deal with their figures—in publicity releases, advertising, etc.—and not the annual statement.

The condition of the railroads, which has gone from bad to worse, is getting a lot of public attention. The deleterious effect of the rate freeze in which

(CONTINUED ON PAGE 30)

Set \$1 Million Ad Campaign Of NAIA For March 27 Start

The national advertising program of National Assn. of Insurance Agents, featuring "the independent insurance agent," will start March 27. President Louie E. Woodbury Jr. said that the executive committee had approved a program of advertising which will cost more than \$1 million. The program was developed under the guidance of Alan H. Miller of Hackensack, N. J., chairman of the advertising

A high spot of the program will be a series of one-minute participations on TV scheduled for NBC's "Today" show, featuring Dave Garroway. This program will cover 120 stations which, together with a series of filmed commercials to appear on 47 stations not covered by the Garroway show, will carry the NAIA message in 99% of the counties in the U.S.

A heavy schedule of insertions also are planned for Readers Digest, Life, Saturday Evening Post, Look and Farm Journal, as well as the Sunday newspaper supplements This Week, Parade and Family Weekly.

Featured prominently throughout the series will be the NAIA seal with the theme "Your Independent Insurance Agent Serves You First." Once independent agent insignia firmly established in the public's mind, the national association plans to schedule a series of advertisements on a national radio hook-up. The campaign is being directed by Doremus & Co., New York advertising agency.

Contributions from members of the national association to finance the program have passed \$1 million and funds continue to pour in to the New York headquarters of the association daily, according to NAIA.

Each NAIA member who contributes to the advertising program will receive a complete kit of advertising and merchandising information.

Agents Confer With Commissioners On Several Problems

Representatives of National Assn. of Insurance Agents and National Assn. of Insurance Commissioners met in an informal session in Chicago this week to discuss several matters of common concern.

In general the agents would like to establish and maintain closer liaison with the regulatory authorities. They are concerned over the inquiry which Sen. O'Mahoney is launching into the insurance business at Washington and its possible effect on state regulation.

Agents believe they are the best friends that the commissioners and state regulation have, and that they can be helpful to the commissioners in efforts to maintain state supervision of the business.

Rate Increases On Agenda

Another item of discussion was the difficulty the companies are experiencing in some jurisdictions in getting rate increases. These difficulties, or downright defeats, put the agents under pressure, and the agents wanted to trade views on the matter with commissioners.

Agents long have been concerned about fictitious groups, and they wanted to discuss ways of bringing to the attention of commissioners developments in this field.

Underwriting Loss Of \$8.5 Million For Aetna Casualty

Aetna Casualty in 1957 had an underwriting loss of \$8,449,715, chiefly in the automobile line, though some losses were also experienced in fire and marine. There were offsetting underwriting gains in other lines.

Surplus declined \$1,341,315 for the ear, to a total of \$85,107,208. Contingency reserves dropped from \$71,-850,000 to \$58,600.000

Written premiums totaled \$268,-309,496, an increase of \$30,535,455. Unearned premiums increased \$13,-008 794

Investment income was \$11,677,863 and assets increased \$23,708,577 to \$513,241,459.

Standard Fire showed an underwriting gain of \$133,427, and surplus increased \$622,880 to \$7,647,091. Contingency reserve dropped by \$460,000, to \$3,210,000.

Written premiums totaled \$11,577,-Unearned premiums increased \$245,235.

Assets increased \$798,225, to \$27,-404.842.

American Life, the new life affiliate of American Surety, h Miguel J. Godoy a director. has elected

COST OF LIVING COST OF CARS Egg-1947 Car-1947 Egg-1958 Car-1958

10% On Class 2 And 15% On Others Spreads Nationally

Insurers Modify Auto Pay Scale In Chicago And Cal. More Reduce In New York

The 10% commission to agents on class 2 auto liability business has been put into effect in California and in Chicago metropolitan, which includes several counties in northern Illinois and Indiana. This modification started in New York State, and has been adopted by more companies there, including North America and Crum & Forster. North America also has gone to 15% on other auto liability classes in New York metropolitan.

15% for other auto liability classes also has spread to California and Chicago metropolitan. In the latter territory Fidelity & Casualty, Standard Accident and Zurich have moved on commissions. It is understood that General of Seattle has gone to bureau rates on the west coast but has not modified its commission scale. Safeco, General's specialty automobile insurer, pays 15% flat for all auto classes.

Fidelity & Casualty and its general agency, W. A. Alexander & Co. of Chicago, in an effort to keep the market open for class 1 auto risks, is going to 10% commission as of Feb. in Illinois and Lake. Laporte and Porter counties in northern Indiana. At the same time the company will go to 15% on all other auto casualty in Chicago and in Cook, Lake and Dupage counties, Ill. Taxis, liveries, buses except school buses, etc., and intermediate and long distance truck-(CONTINUED ON PAGE 38)

Nationwide Mutual **Tests Auto Cover** On Groups In Ore. PORTLAND—Nationwide Mutual is

now offering Oregon owners of passerautomobiles insurance through groups on a do-it-yourself monthlypayment plan, at approved rates ayeraging 25 to 30% lower than bureau.

The plan is tailored to appeal to employes of a large firm, members of unions and similar organizations. It is being tried in Oregon for the first time anywhere in the country. It is stated that premiums are lower because of savings on agents' commissions, reduced administrative costs and possible dividends to policyhold-

The company will distribute "do-ityourself" kits so motorists can designate on a form the coverage they want. The monthly cost is 1/12th annual, and whatever dividends are paid will be figured on the basis of statewide experience among all the company's policyholders.

Februan

National Bureau Goes To Court For N. Y. Auto Increase

National Bureau of Casualty Underwriters has petitioned for judicial review of the action of the New York insurance superintendent in disapproving its request for increased automobile liability rates. The petition was filed in the supreme court in Albany county. Mutual Insurance Rating Bureau has taken similar action.

Companies writing liability in New York are facing a grave crisis as a result of the action of the superintendent in denying rate increases they need to pay liability claims, William Leslie, general manager of the bureau, stated

The disapproval of rate increases when companies already were suffering severe underwriting losses because of inadequate rates has created a problem of great urgency, he declared. In 1956 bureau companies suffered an underwriting loss of more than \$24 million on New York automobile liability business, an underwriting loss of 10.1%. Other stock and mutual companies also have suffered adverse underwriting results.

Industry figures for the first nine months of 1957 have just become available. These indicate, Mr. Leslie said, that conditions have grown progressively worse. He said that "Current indications point to an underwriting loss for the year 1957 that will be far greater than that for 1956."

The bureau last Oct. 15 filed for a 9.5% increase for private passenger cars and 5.9% for commercial cars. This was disapproved Nov. 12. It was disapproved again after a hearing.

"This is the first time in all of the years of the bureau's operation that such an action has been found neces-sary in New York," Mr. Leslie observ-"New York has always been outstanding in its leadership among the states in the field of insurance superincluding the regulation of rates. It has always, heretofore, recognized that adequacy of insurance rates is vital to the insuring public not alone to preserve company solvency, so important to the policyholder, but to afford a free market for the purchase of insurance geared to the needs of individual automobile owners."

The insurers have no alternative but to seek higher rates, he said, reluctant as they are to do so.

In addition to increasing the cost of medical care, hospitals, etc., effect of inflation on the cost of claims for bodily injury and death is reflected in court and jury awards in negligence cases. The average verdict for plaintiffs in jury trials in the New York state supreme court increased from \$5,350 in the 1946-7 judicial year to \$11,188 in the 1956-7 judicial year, up 109%. B1 claims incurred per 100 insured cars was substantially higher in 1956 than in 1946. Repair and replacement costs have climbed.

The rise in automobile insurance rates will not be halted until the trend of claim costs and claim frequency turns downward, Mr. Leslie said.

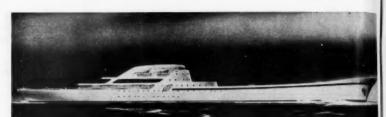
Motorists cannot exercise any control over the inflationary forces that have gripped our economy, he pointed out, but they can cut down the number and severity of their accidents.

Harriman Seeks More Radical A&S Laws In N. Y. Than Metcalf

Gov. Harriman of New York has asked the legislature to enact laws giving group A&S policyholders the right to convert their policies at age 65 with no increase in premium and no decrease in benefits.

In a special message to the legislature, he also asked legislation for laws to prohibit cancellation of individual A&S policies after one year from date of issue; allow employes on retirement after age 60 to convert group life contracts to individual policies with a \$2,000 maximum at a premium corresponding to the average for the group rather than that for an individual at the attained age. Define more broadly the group law to include farmer, lawyers and other self employed persons; and make other provisions for persons who buy insurance after age 65.

The governor's message praised the work done by the joint legislative committee on health insurance plans, headed by Sen. Metcalf of Auburn, but said the recently introduced Metcalf



This is an artist's conception of the N. S. Savannah, the nation's first nuclear-powered passenger-cargo ship, to be built by the New York Shipbuilding Corp. of Camden, N. J., under a \$21 million contract recently awarded by the government. Fidelity & Deposit has underwritten the contract bonds covering the project in a limited co-surety and reinsurance arrangement with other companies. The vessel is named after the first American flagship to cross the Atlantic on steam power. Its keel will be laid this year. Launching is scheduled for 1959, The ship will be 587 feet in length, with a 78-foot beam. It will have a passenger capacity of 60 persons.

bills provide "inadequate protection for older people in a number of aspects."

The Harriman program was drawn up by Health Commissioner Hillboe, Superintendent Holz and Philip M. Kaiser, special assistant on problems of the aging. Mr. Kaiser said the governor's proposals and the four Metcalf bills have the same objectives.

Mountain Insurance Field Club will hear Commissioner Knowlton of New Hampshire at the Feb. 10 meeting in Manchester.

General America Group Shows Improvement In '57

General America group, of which the lead company is General of Seattle, had a "substantial" improvement in underwriting results in 1957, but the year was still not profitable. President W. L. Campbell said the group will compare favorably with the industry as a whole. Premium volume totaled \$123,850,000, up 7.75% against an estimated 8% increase in national volume. Daily reports increased 3.4% and numbered 1,955,000. The earned premiums were \$117,087,000, an 11% gain.

The group showed an underwriting loss of \$444,000 last year, excluding a \$52,000 underwriting loss in the newly organized General Life of America. Investment income amounted to \$5,445,000, producing a net profit for the year of \$8.41 a share against \$3.16 a share in 1956.

In 1957 the combined loss ratio including adjustment expense was 56.66% and the combined expense ratio was 39.99%, producing a 96.65% total befor efiguring in .21% for the employes profit sharing retirement

Auto 'Comp' Breakthrough?

NEW YORK—Compulsory has enlivened the proponents of a compensation schedule system for payment of automobile bodily injury claims, but attorneys now are more seriously concerned with an insurance coverage which actually puts such a program into effect. This concern was responsible for one of the largest crowds ever to attend an annual meeting of the insurance section of New York State Bar Assn., when this year's session took place here.

There was standing room only for a panel discussion of the question of whether adoption of a compensation system for personal injury claims would be in the public interest. The insurance coverage is the alternative compensation endorsement introduced some time ago by Nationwide and now being filed in other states with indications it will be used nationally. Though panelists at the bar meeting here studiously avoided mentioning the name of the insurer, most of them devoted considerable attention to the endorsement and to the fact that it introduces into practice an auto compensation schedule.

Full details of the discussion of this development, which attorneys regard as highly significant—and alarming—will be presented in next week's issue.

Objectionably Radical A & S Bills Outspokenly Opposed at Hearing

By JOHN B, LAWRENCE JR.

ALBANY—The radical proposals to force insurers to sell A&S only on a lifetime basis in New York found very few friends among the 28 persons who testified at a 6-hour hearing conducted here by the Metcalf committee. In fact, the four bills received less support from witnesses than the five original measures did at a similar hearing a year ago. However, the reason could be that former supporters are shifting their backing to the even more radical bills being pushed by Gov. Harriman and the insurance department.

Spokesmen for the insurance business, industrial corporations, business associations, non-profit insurers and the government generally criticized many aspects of the legislation but indicated their agreement with its objectives. Several other scheduled speakers either failed to appear or departed when the session continued through the dinner hour. In the early

part of the hearing, about 100 spectators sat in the senate chamber. Sen. George R. Metcalf, Auburn Republican, who heads the joint legislative committee on health insurance plans, presided.

Smith Voices Opposition

The insurance industry's opposition was outlined broadly by J. Henry Smith, vice-president of Equitable Society and president of Health Insurance Assn. of America, who spoke for HIA, Life Insurance Assn. of Amera and American Life Convention. The key to providing benefits for senior citizens is continuance of the group coverage after retirement with participation by the employer, he said. The mandated conversion privilege in Metcalf proposals, however, would force retirees to pay more for coverage upon retirement when their financial resources are reduced.

The mandated conversion privilege would impose a double burden on em-

ployers who participate in or pay the entire cost of benefits for retirees because they not only would have to pay for the benefits of their own pensioners but also share in the cost of the conversion privilege for other groups. Insurance companies, he noted, have progressed in the voluntary establishment of conversion privilege to the point where 20% of the employes in New York state now may convert to individual policies.

Turning to the proposal for individual lifetime coverage after a 2-year incontestability period, Mr. Smith pointed out that non-cancellable policies and lifetime coverage are developing rapidly. Medical progress makes it impossible to design a broad lifetime contract that would take into account conditions resulting from this progress at some distant date.

The bills also would abolish the popular low-cost term coverage and force people to buy only certain high cost policies, he charged. Individual (CONTINUED ON PAGE 35)

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Sharply Criticizes Efforts To Socialize, Eliminate Courts, Bar, And Insurers

ners should be obvious to everyone by this time, Robert H. Kilroe, New York City attorney, said in his discussion of "The Government and the Insurance Business" at the meeting of the in-surance section of New York State Bar

The blueprint of the social plan- Assn. in New York City. He strongly criticized the advocates of a compensation system for casualty damages and injuries.

The blueprint of the social planners, he said, is a simple one. It is:

First, they will get rid of the juries.

judges; after the juries have been dispensed with, it will be an easy step from the judge to the compensation referee—a high-salaried judge isn't needed to look in a book and see how much scheduled loss a claimant is entitled to. Third, they will dispense with the laywers; they will "regulate" them out of the negligence field. Fourth, after they have the lawyers down to size, the insurance companies will be easy pickings; the insurance

Second, they will get rid of the companies have few friends-the hand core of resistance that could rally the public to their danger willl be gone.

While the master plan is doing at this, he said, the public will be ken quiet by the promise: "In case you have an accident, fill out a form and the dollars will drop from heaven! Why mention the chaos at the end of the rainbow?

Will Have Wide Following

The fact that some eminent jurists, labor leaders, and business men have joined the ranks of the social planners in this movement should not be surprising. Many prominent jurists, labor leaders and business men joined Hitler and Mussolini in destroying a free labor movement, an independent bar and private industry in Germany and Italy.

New York has its State Fund, he commented. For years it has been competing with the private insurance industry in the workmen's compensa-tion field. One of the biggest labor unions in the state has suggested that if the State Fund would write all the compensation insurance in the state injured workers would receive larger awards without increasing the compensation rates. This union argues that the private insurers in active competition with each other consume too much of the premium dollar in overhead and, by eliminating duplication in maintaining the various competing insurer offices throughout the state, the money saved could be used to increase the compensation paid to the injured worker.

Suggest State Fund Expand

Recently, there have been recommendations from some quarters that the State Fund should be empowered to write casualty insurance. The experts in the casualty field say that if and when this happens, it will mean the end of the private casualty insurer in this state, Mr. Kilroe declared No private insurer can compete with the state owned and operated bureau for which the taxpayer picks up the

The bible of the proponents of ar (CONTINUED ON PAGE 37)

Stocks

By H. W. Cornelius, Bacon, Whipple & Co | 135 S. LaSaile St., Chicago, Feb. 4, 1938 |
| Aetna Casualty | 132 | 13 |
| Aetna Fire | 58½ 5 |
| Aetna Life | 185 | 19 Agricultural American Surety ... Boston Camden Fire Continental Casualty Crum & Forster com. 79 50 40 Federal Fireman's Fund
General Reinsurance
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Hartford Fire
Hanover Fire
Home (N. Y.)
Ins. Co. of No. America
Maryland Casualty Great American Fire 151 36¾ 39¼ 94½ Mass, Bonding ... National Fire National Union ... 321/4 New Amsterdam Cas. New Hampshire North River 331/2 21 69 15 Ohio Casualty ... Phoenix Conn. ... 71 16 15 Prov. Wash. Reinsurance Corp. of N. Y. .. 131/2 Reliance St. Paul F.&M. 41 46 451/2 Springfield F.&M. Standard Accident ... Travelers



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Casualty Assn. Has **New PR Office In** Fla. For Southeast

Assn. of Casualty & Surety Companies is opening a branch of its public relations department in Tallahassee, Fla., to serve directly Florida, Georgia, Alabama, Mississippi, and the Caro-

Albert M. Thomasson, who has directed public relations for the Florida insurance department for several years, has been appointed public relations director of the new southeastern PR division and will be in charge of the Tallahassee office. Mr. Thomasson, who has resigned as deputy commissioner, is a former Tallahassee staff correspondent of Florida Times-Union.

Fourth Regional Office

The new office will be the fourth such regional operation to be estab-lished by the association. The others are in Oklahoma City, serving the southwestern states; San Francisco, serving the states west of the Rocky mountains, and Chicago, serving the midwest states.

Clarke Smith, U. S. manager of Royal-Globe and president of the association, said that three years ago the organization concluded that as big as the association is, with interests and operations required in every state, it could no longer handle its PR activities efficiently from New York alone, It decided to decentralize this part of its program and began by establishing the first public relations field offices in Oklahoma City and San Francisco. Experience in both of those regions was so highly successful that last year the Chicago office was established.

Rapidly Growing State

Tallahassee was selected because it is the capital of a rapidly growing state with growing insurance interests, and is ideally located for quick access to the other states in the southeast, Mr. Smith said.

The association is a public service organization, engaging actively in such fields as accident prevention, public relations, research, prevention of fraudulent claims, and insurance law, among others. These are matters in which the public has as big a stake as the insurers, probably a bigger one. The Tallahassee office will not be limited as an authentic source of information about these subjects alone, he said. It will quickly furnish information about any subject concerning the casualty and surety industry to newspaper, radio and TV stations and every kind of public contact medium. The job in Florida and the other states will be to get the true facts about in-surance to the public.

Traffic Safety Experts In Demand

The accident prevention department, for example, has one of the largest staffs of traffic safety specialists in the country, he pointed out. They are constantly in demand by the nation's colleges and universities, for instance, to assist in training high school teachers who are preparing to teach traffic safety in the public, private and paro-chial schools. The association's literature on industrial safety has been standard throughout the country for many years.

The PR department similarly is staffed by fully trained newspapermen who have won the confidence of the newspaper, magazine and book editors

over the country. That is because the association has nothing to conceal and has never made the mistake of misleading them. With the new PR division the association is simply bringing its PR closer to Main street, he commented.

D. C. Agents To Name Unit To Watch Commissions

WASHINGTON—Directors of District of Columbia Assn. of Insurance Agents have proposed a committee on commissions to inform members of developments in the commission situation. tion and to oppose attempts to reduce

Nancy Littlehales, executive secre-tary of the association, has resigned and is succeeded by Miss Doris Edlund. She formerly was cashier and office manager of Penn Mutual Life here.

Greater New York Insurance Brokers Assn. heard Alfred I. Jaffe, vice-president of the Jaffe agency of New York, at the January meeting. He discussed insurance for tenants, the package policies available, and how they compare with other specific coverages.

Conn. Insurers **Form Information** Office For State

Connecticut insurers have formed a new association, Insurance Information Office of Connecticut. The 16 insurer members have domestic charters and home offices in the state. The office will serve as a public information center for the state's insurance business and will attempt to maintain an understanding by the people of Connecticut of the business, its accomplishments and its problems.

Francis T. Ahearn, a staff member of the Hartford Times 22 years and city editor for the last 11 years, will be the manager of the association.

An executive committee of senior officers of five of the companies has been elected to serve as the governing body. They are John A. North, president of Phoenix of Hartford, chairman; Henry S. Beers, president of Aetna Life companies; Frazar B. Wilde, president of Connecticut Gen-

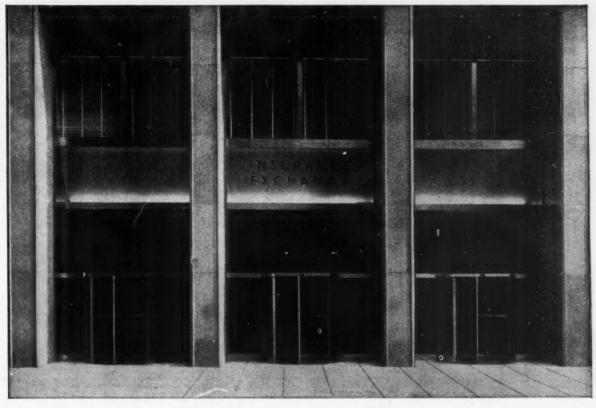
eral Life; Manning W. Heard, vice-president and general counsel of Hart-ford Fire; and Millard Bartels, vicepresident and general counsel of Travelers.

Included in the functions of the public information office will be "to serve as a public information center. to prepare information and education material concerning the role of the insurance business as a major beneficial influence in Connecticut's economy; to organize and maintain an active speakers' bureau; to arrange participation in public service programs relating to health, safety and preservation of property."

Lists Subscribers

Subscriber companies to the association are Aetna Fire, Aetna Life. Connecticut General, Connecticut Mutual Life, National Fire, Fire & Casualty of Connecticut, Hartford Fire, Hartford Steam Boiler, Middlesex Mutual, Mutual of Hartford, New London County Mutual, Phoenix, Phoenix Mutual Life, Safeguard, Security of New Haven and Travelers.

Mr. Ahearn will assume his new position March 1.



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XIIM

Accuse Hospitals Of Forcing Aged To Subsidize Blue Cross Discounts

being forced to pay more for the same hospital services being supplied to Blue Cross subscribers have been made in Massachusetts and Pennsyl-

In Massachusetts, a special legislative commission has reported it has received evidence that some persons

Charges that non-subscribers are of modest means, who are not Blue Cross subscribers, have been forced to pay more for the same hospital services supplied to subscribers. Sen. Silvio O. Conte, Republican of Pittsfield, chairman of the study commission, said hundreds of letters have been received from sick and aged persons complaining about Blue Cross

and Blue Shield premiums, coverages and practices as well as hospital and medical charges.

The commission said Blue Cross, with 2.4 million subscribers in Massachusetts, spent \$259,965 for advertising in 1956 while Blue Shield spent \$259,251 in the same year.

The intent of the legislature in approving laws setting up the Blue Cross program was to help persons of modest means meet large hospital bills, the commission said.

"It could hardly have been the intent of the legislature to compel all persons in Massachusetts to subscribe to Blue Cross," the commission added

Nearly all physicians practicing in Massachusetts participate in the Blue Shield surgery and treatment program and are bound by the published fee schedule when treating subscribers. Many glaring examples of charges far in excess of the fee schedules were cited to the commission in cases of non-subscribers who were treated by doctors, according to the study group's report.

Dominated By Small Groups

The commission further charged that Blue Cross-Blue Shield are under the dominance and control of a handful of persons whose actions and policies are largely beyond their subscribers and the public authority. It noted that the agency is operated by 100 voting members, consisting of 25 designated by Massachusetts Medical Society, 25 by Massachusetts Hospital Assn., two by Boston Council of Social Agencies, two by Associated Industries of Massachusetts, and the other 46 by other organizations which have subscribers. There is no effective public representation in the management and control of Blue Cross under this setup, the commission said.

That Blue Cross management in (CONTINUED ON PAGE 22)

May Ask For State Regulation Of Hospital Rates In Ind.: Palmer

Blue Cross policies should never have been approved because there should be no tie-in between insurance rates and hospital costs, and he may ask the next session of the Indiana legislature to require regulation of hospital rates "in the same way insur-ance companies are regulated," Commissioner Alden C. Palmer declared recently.

Mr. Palmer's statement came after Indiana's governor, Harold Handley, had been quoted in a newspaper story as saying that Blue Cross' present request for sharp rate increase "won't solve the problem," inasmuch as the hospitals "in effect own Blue Cross."

The commissioner last week approved a 10% rate increase for Blue Cross, approximately one-third of what had been requested by the plan. The present rate increase comes just a year after it obtained approval for an increase averaging 18% but running as high as 90% in some categories. Basis for the latest request was increased hospital rates. "There have got to be some known dollar factors," Palmer declared; "otherwise rates keep going up and up."

May Seek Benefit Limits

The commissioner also revealed that he may seek legislation specifying what illnesses may be covered and setting dollar-amount limits on bene-fits. Returning to hospital rate regu-lation, Palmer declared, "We are not convinced the increase in hospital rates

The rate-regulation idea drew immediate and adverse comment from Indianapolis hospital administrators. "We've got too many government con-trols already," one charged. "Why should a state agency control hospital rates any more than it controls other business?" asked another. There is asked another. There is no more reason to control hospital rates than "the price of bread," snapped a



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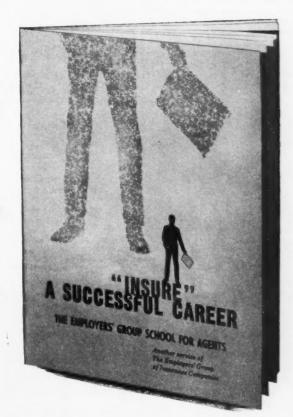
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Kemper Study Indicates Law Violations Cause 8 Out Of 10 Fatal Traffic Accidents

rank as the cause of more than eight out of 10 fatal automobile accidents, a

The study was made by Kemper insurance central automobile safety

Traffic law violations continue to when 442 fatalities in 376 accidents were reported-84.2% of them involving a traffic law violation. Participarecent national survey has indicated. ting state officials were asked to indicate a specific traffic law violation or driver error responsible for each Labor

dent reports could be checked most causes are eliminated from the overeasily and quickly by state police officials, nearly uniform weather conditions prevailed throughout the U.S., and traffic on the highways included a representative cross-section of all driver types.

The state-by-state analysis showed that driver error was involved in 51 fatalities, 11.5% of total fatalities on which reports were secured. No specific cause could be attributed for 10

all total and the comparison law violations can be assessed responsibility for 87.9% of the fatalities due to known causes.

These findings lend further support to a study made two years ago which showed that a traffic law violation was involved in 88% of all fatal accidents.

Excessive speed, including speed too fast for conditions, was the number one killer, causing 149 fatalities— 33.7% of all Labor day week end fatalities. Alcohol ranked a close second with drivers under the influence of alcohol being involved in accidents causing 102 fatalities, 23.1% of the

Drinking Has Seasonal Aspects

Studies made by national and regional traffic safety groups show that the drinking driver or pedestrian is involved in a much higher percentage of fatal accidents during the Christmas and New Year holidays than at any other time of the year.

Driver errors shown by the study to be involved in the greatest number of accidents were loss of control, responsible for 18 fatalities or 4.1% drivers falling asleep, responsible for 17 fatalities or 3.8%.

Four states-Delaware, New Hampshire, Rhode Island and Vermontreported a fatality-free Labor day holiday.

Lawbreaking, rather than driver error, was at fault in the majority of fatalities reported by 38 of the other 42 states participating in the study made by the committee. In three states—Arizona, Iowa and Nevada there were more fatalities caused by driver errors than by law violations. Nebraska reported one fatality involving a law violation and one, a driver

Enforcement Is A1 Insurer

"Findings of the study provide addtional support for our contention that strict and impartial enforcement of realistic traffic laws offers the quickest and most dramatic means of reducing fatalities on our highways, way G. Kemper, president of Kemper companies, declared.

For the past six years, he pointed out, the holiday season has been marred by record highway fatalities. According to National Safety Council figures, the toll for the combined Christmas and New Year holidays from 1951 through 1956 was 5,489 deaths. Last year, the combined holiday toll reached a new record of 1,115 deaths as compared with 973 in 1955 and 688, 840, 963 and 910 in the four previous years.

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Travelers In Record **Premium Increase**

Written premiums of the Travelers companies during 1957 amounted to \$991,919,047, an increase of 15.5% over 1956. J. Doyle DeWitt, president, in a letter to field representatives, described 1957 as the most successful production year in the group's history, with the largest increase in written premiums for any single year.

The premium increase reflected gains in 12 of the 13 major lines of the companies.

Budget Plan Stimulates Production

Travelers introduced its premium budget plan last year, which has con-tributed greatly to stimulating multiple-line production and has been a factor in the expanding market for multiple perils policies, Mr. DeWitt

Multiple perils lines increased 15.7%, to \$9,457,000. Group A&S rose 29.8%, to \$230,202,000. Automobile increased 16.1% to reach \$227,494,000. Burglary and glass jumped 34.9% to \$11,078,000, and 16.8% to \$9,709,000.

Liability and property damage increased 7.8% to \$53,145,000, workmen's compensation 8.6% to \$95,459,000, fire and allied lines 5.3% to \$44,013,000, inland and ocean marine 8.8% to \$9,634,-000 and boiler and machinery declined 7% to \$8,569,000.

Mr. DeWitt pointed out that 1957 was also a record year for the appointment of new agents throughout the U.S. and Canada.

Vorse To Columbus, O., For Great American

John L. Vorse has been appointed assistant manager at Columbus, O., by Great American. He will assist W. O. McLelland, secretary and manager. Mr. Vorse has had six years of local agen-cy experience and since 1946 has been engaged in multiple line field and field supervisory activities.

Marshall & Stevens of New York, international appraisers, has elected Sanders A. Kahn a director. He is president of his own New York real estate appraisal and brokerage firm.

New Buckeye Union Secretaries Appointed

New secretaries have been named for Buckeye Union Casualty and Buckeye Union Fire, succeeding Ira holding down positions with both companies.

James R. McGarry has been appointed to the casualty company post, and new secretary of Buckeye Union Fire is William T. Cuddy. Mr. McGarry joined the company in 1939 and became executive secretary in 1951. He has been a director of the casualty

Mr. Cuddy has been with the organization since 1941 as special agent, assistant secretary, and most recently as executive secretary. He has been a director of Buckeye Union Fire since

Nominate Brower To Transamerica Board

Horace W. Brower, president of Occidental Life of California, has been nominated to the board of directors of Transamerica.

His nomination, made by Frank N.
Belgrano Jr., president and chairman
of Transamerica, comes less than a
week after Mr. Belgrano's election to
chairman of Occidental.

cnairman of Occidental.

Mr. Belgrano said that with the impending reorganization of Transamerica, Occidental's role in Transamerica corporate structure will become increasingly important. "Therefore, it seems particularly appropriate that Mr. Brower represent his company on our board," he stated.

New Officers Elected By Farmers Mutual Windstorm

John C. Stapel, secretary of Farmers Mutual Windstorm for 41 years, has been elected president of the company. Succeeding him is Frank P. Blakemore, who becomes the company's third secretary since it was organized in 1889.

Other new officers are W. R. Robbins, vice-president, and H. Charles Cox, treasurer.

Albert M. Rutledge and Hardin C.

Albert M. Rutledge and Hardin C. Cox were elected to the board to replace F. O. Rutledge and H. Charles Cox. Max D. Rutledge and Darrell Seltsam were also named directors

The Fund Expands Albuquerque Operation

Fireman's Fund is expanding its Albuquerque facilities to that of a full branch operation effective April 1. L. Morris, who retired recently after Dana Roehrig, currently superintendent of auto-casualty underwriting for the Fund at San Francisco, will be as-signed as manager in Albuquerque. Gordon Hurst, presently in Denver, will be moved to Albuquerque and will bring with him an underwriting staff. Bud Quehl is being added as an additional fire special agent for the territory. Robert Plumbe will company since 1945 and of the fire continue as state agent with primary responsibility for all fire lines. Other responsibility for all fire lines. Other field assignments are unchanged.

Junior Surety Assn. Lists Officers

Junior Surety Underwriters Assn. of Southern California recently installed Southern California recently installed the following officers: Donald Stein-hauser, Fidelity & Casualty, president; James W. Hurry, Fidelity & Deposit, vice-president; Charles Raynor, Hart-ford Accident, secretary; Thomas O'Laughlin, U.S.F.&G., treasurer; and Robert Ransom, Aetna Casualty, com-missioner missioner.

1957 Traffic Deaths 3% Below 1956

National Safety Council has estimated the traffic death toll for 1957 at 38,500-3% below the 39,628 fatalities of 1956.

The 1957 mileage death rate (deaths per 100 million vehicle miles) was 5.9. The previous all-time low was 6.3 in 1956 and 1954.

Only One Month Exceeded 1956

Every month of 1957 except August showed a drop or no change in traffic fatalities from the same month in 1956. The numerical decrease of 1,100 in traffic deaths in 1957 was the second largest to be achieved in any year since 1945 and was surpassed only by a decrease of approximately 2,400 deaths in 1954.

December traffic deaths totalled 3,710-a 4% drop from the toll of 3,858 in the same month of 1956 and a saving of approximately 150 lives in a month that traditionally brings peak danger on the highway.



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Interprets Money And Securities Policy As To Messenger, Limit Per Location, Etc.

interpreted in American & Indemity vs Swartz when the 8th appeals court upheld the verdict of the district court at Kansas City, as reported in 9 CCH (Fire & Casualty) 410.

Swartz and others were partners in a retail grocery business in Kansas City. At the time of robbery they were insured under a policy which provided in part that American & Indemity a-

A money and securities policy was greed to indemnify them for all direct loss of money occurring outside the premises caused by wrongful abstraction while the money was being conveved by a messenger.

> The limit of coverage on four stores was \$4,000 at one, \$2,500 for the secone. \$1,500 for the third and \$1,000 for the fourth.

On the day of the robbery, Milton Swartz drew at store No. 2, four separate checks totaling \$4,000, each drawn against the accounts maintained by the individual stores. The checks were within the coverage limit applicable to each store.

The checks were turned over to an employe, Margaret Coleman, who worked primarily at No. 2. She was instructed to take the checks to the bank, cash them and deliver the proceeds to the respective stores. Russell Peters, a male employe, was directed to drive and accompany Miss Coleman.

It was conceded that Miss Coleman answered the policy definition of a

"messenger" and that Peters was a "guard" within the definition of the policy. Miss Coleman and Peters entered the bank together, Miss Coleman took four separate bags of cash each containing a large quantity of coins. As each bag was handed to her she placed the bag in one large cloth sack held by Peters. They left the bank and went to a panel truck in a public parking lot adjacent to the bank. Peters was carrying the money. As he got in, he was assaulted by an armed bandit who had concealed himself in the vehicle. Miss Coleman was assaulted by a second bandit outside the vehicle. They made off with the money.

The insurer said insured did not comply with the insuring agreement because the money was not being conveyed by an authorized messenger at the time of the robbery. The company also contended that the limit of liability was \$2,500 because the transaction had originated in store No. 2 which was covered for only \$2,500. The insurer also argued that the court erred in granting judgment for excessive delay and attorney's fees.

Insurer's Contention Meritless

The appeals court held that the insurer's contention that the money was not being conveyed by a messenger at the time of the robbery was meritless. There was no requirement in the policy that the money be personally carried or actually held by the authorized messenger, in this case Miss Cole-man. The court also held that the \$4,-000 was not being obtained for store No. 2 but for the four stores. A separate check was issued against four separate accounts to obtain cash for each store. The issue then was whether a single messenger could at the same time represent all four stores. The court held that this construction of the policy was proper, that a separate messenger was not required for each store.

However, the appeals court did reject the lower court's allowance for vexatious delay and attorney's fees since the insurer at all times admitted liability for \$2,500 and repeatedly offered to pay it.

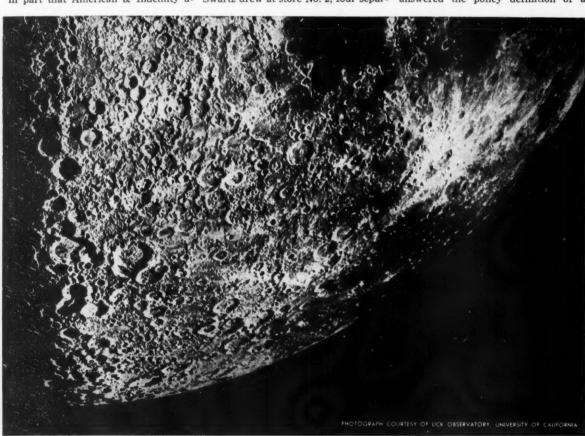
Morrison Hecker, Buck, Cozad & Rodgers represented the insurer, and A. J. and L. H. Granoff insured.

Ask State Subsidy For Driver Education In Va.

Insurance and safety leaders in Virginia have asked the state to furnish financial assistance to high schools offering students driver education courses. Virginia Assn. of Insurance Agents said in a resolution adopted by its accident prevention committee that because of economic conditions Virginia school boards have been restricted to offering driver education courses to only about 25% of the students eligible. Advocating state subsidy, the resolution points out that research has shown that students who have had driver education have driving records 35 to 50% better than those who have not had driver education. driver education.

Permanent Licenses To Be issued In Indiana

A new system of permanent licenses has been instituted by the Indiana department. The plan, which applies to fire, casualty and A&S licenses, is expected to eliminate a great deal of paper work for the department. Instead of issuing new licenses for every great and survey consequences. agent and every company each year, the new plan issues a permanent license, renewable on payment of the fee. It is based on a similar plan that has worked out well in Michigan.



OPERATION MOON

\$50,000 for the first space flight to the moon and back. That was the offer made a few years ago by a mid-western newspaper—one on which we quoted a rate against the possibility of a winner. Undoubtedly a newspaper publicity stunt then, but today there are no "tongue-in-cheek" offers. Scientists in perhaps a hundred laboratories throughout the world are actively seeking the means of propelling rockets and space ships into outer space. At any time there may be a major aeronautic breakthrough which will one day permit man to visit the planets-possibly even the stars.

It seems quite within the realm of possibility that in the not too distant future, Chubb & Son which has insured clippers, ocean greyhounds and stratocruisers may have lines on craft headed for Mars.

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Chicago Board Elects L. R. Fisher President

Chicago Board of Underwriters has elected following officers for 1958: Lawrence R. Fisher, president; Herman Bartholomay Jr., vice-president, and E. J. Clements, treasurer.

Mr. Fisher is vice-president of the Rockwood Co. and has been with that agency since 1948. Prior to that he was with Travelers. Mr. Bartholomay is a partner of Bartholomay & Clarkson agency, and Mr. Clements is vice-president of Marsh & McLennan.

Allstate Increases Ill. Auto Rates 13%

Allstate has announced that an average rate increase of 13% on both new and renewed auto cover in Illinois has been approved by Director Joseph S. Gerber, effective Feb. 1. The company attributed the rate raise to increased cost of business, including higher claims and repair costs, jury awards and hospitalization

Compared to Bureau rates for full cover in Chicago, a typical example is on a new Chevrolet in class 1A (All-

state class comparable being named "adult short pleasure"). Cover is for 25/100/5, with \$2,500 BI, \$2,000 medical payments, full comprehensive and \$50 deductible collision.

According to Allstate, the Bureau rate before the recent increase in Illinois was \$169.80 and is now \$192.10. The old rate at Allstate was \$142.40, now \$153.90, or 16 and 19.89% below

Bureau, respectively.

The company said, however, that its new rates include an average reduction of 121/2% for collision in Chicago and 10% throughout the state. Also, the discount for two-car cover has been increased from 15 to 25%. Allstate said these reductions were made possible by a decrease in damage claims by its insured cars.

Insurance Society Of N. Y. Fetes Faculty

Approximately 110 instructors, directors, guests, staff and committee members, and representatives of the insurance press attended the annual Insurance Society of New York insurance school faculty dinner held at the Drug & Chemical Club in New York City.

Arthur C. Goerlich, dean of the school, and F. B. Tuttle, president of the society, were hosts. They were assisted by staff members Ruby E. Breitner, Louise M. Brown, Margaret H. Niles, and Gladys E. Schutz.

Special guests were W. Irving Plitt, vice-president of Atlantic Mutual, and Walter F. Brooks of the New York in-

surance department.

William H. Rodda, secretary of Transportation Insurance Rating Bureau of Chicago was guest speaker.

11-Month Results Of N. Y. Compulsory Auto Show Tight Control By Law

Only 129 accidents involving uninsured motor vehicles registered in New York were reported to the state bureau of motor vehicles during the 11 months of 1957 under compulsory auto, according to Joseph P. Kelly, bureau commissioner.

As a result of the 129 accidents, the bureau revoked the registration plates and driver licenses of 163 persons for one year. The total includes the drivers as well as the owners of the vehicles

Mr. Kelly said that during the 11 months, Feb. 1-Dec. 31, 1956, under the old financial responsibility law, the bureau issued 69,912 registration York residents as a result of uninsured accidents.

During the 11 months the bureau also revoked non-resident privileges of 32,751 out-of-state drivers, he said, who were involved in motor vehicle accidents in New York and who were presumed to be uninsured at the time. Tthe revocations were rescinded in 11,365 of these cases, however, when proof of insurance meeting New York

requirements was submitted.

N. Y. Reins Club Elects

Reins Club of New York, composed Reins Club of New York, composed of those placing facultative reinsurance in the New York market, has elected Albert J. Shabe of the Universal agency president; William W. Dixon, Commercial Union, vice-president; Leroy W. Beers, North British, secretary; Harry J. Moles, Pilcer & Frank, treasurer, and Arthur Greeley, Yorkshire, welfare officer. Yorkshire, welfare officer.

Hudson County (N. J.) Assn. of Insurance Agents will hold its 1958 I-Day March 27 at the Hotel Plaze Plaza n Jersey City.

Mutuals Have New Gas Station Cover

Mutual Insurance Rating Bureau has announced a new "service station policy form," to afford general liability coverage for the premises, burglary coverage and a limited form of automobile coverage for such risks.

The policy has been approved effective Feb. 1 in Alabama, Arizona, Colorado, Delaware, District of Columbia, Florida, Georgia, Illínois, Iowa, Kansas, Maine, Maryland, Mich. igan, Minnesota, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Oklahoma, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Washington, West Virginia and Wyoming.

There are more than 200,000 retail gasoline filling stations throughout the U. S., the bureau points out. The service stations' liability arising from premises operations and use of customers' automobiles away from premises was considered to be sufficiently unique to justify the development of a specific policy for them. The new policy combines a number of coverages presently available into a package policy designed to meet the particular requirements of retail filling stations.

Cover BI And PDL For Use

The policy covers BI and PDL arising out of the ownership, mainten-ance or use of the premises for the purposes of an automobile service station and all operations necessary or incidental thereto; and the use in connection with such operations of customers' automobiles while in the care of insured for servicing. This coverage is subject to a single basic limit of \$25,000.

Coverage also is provided for liability imposed upon insured because of injury to or destruction of customers' automobiles caused by accident collision or upset of such automobiles while in the care of named insured for servicing. Here the basic limit is \$5,000 and it is subject to a \$50 deductible.

Follows Storekeeper Coverage

The burglary and robbery portion of the policy provides insurance covering the same hazards as are covered by the storekeepers burglary and robbery policy: Robbery, kidnapping, burglary, safe burglary, theft-night depository or residence, burglary damage. The basic limit is \$200 per coverage.

Rules provide insured must purchase all of the coverages contained in the policy to secure it. However, the rates, which vary by state and territory, have been developed by line of insurance and the premium may be shown on the policy for each coverage or a total policy premium may be shown as a single entry. In addition to the mandatory coverages, insur-ance for medical payments, products and completed operations are optionally available by endorsement.

Clarke Named At Columbus

Richard F. Clarke has been named claim manager of American Surety at Columbus. He joined the company as a claim representative there in 1956.

Massachusetts Bonding and Fidelity & Casualty are co-sureties on the \$16,586,000 contract awarded Albert \$16,586,000 contract awarded Alecter & Associates of Los Angeles, for the construction of 1,100 military housing family units at the U.S. marine auxiliary air station, Beaufort,



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Duties And Areas Of Trial, Home Office Counsel Defined

Discussing relations between home office counsel and trial counsel at the meeting in New York of the insurance section of New York State Bar Assn., W. Karl Faust, vice-president of American Home, said home office men dislike opinions reading like this:

"From the facts and law we believe there is no liability in this case and it should be tried. However, you know the recent trend in tort litigation—anything can happen. The judge assigned and type of jury selected may make all the difference in the world in this case and if it can be settled reasonably, we recommend it."

Another Dislike Cited

Neither does home office counsel like this:

First opinion—"Absolutely no liability, case should be tried." At pre-trial one year later the facts have not changed—"There may be some danger in this case and compromise is indicated." Two years later the matter is assigned for trial and a jury has been selected, counsel telephones: "If we act fast, I think some saving can be made on the policy."

Imagine home office counsel explaining to the president why a case with a meager reserve based on no liability is suddenly worth the policy limit, Mr. Faust commented. He would like to see trial counsel worry less about the outcome of a trial—and let home office counsel develop ulcers in that department. The trial lawyer should worry only about doing a workman-like job in the court room, watching his record for error, and reporting faithfully to his clients as the need develons

Has Many Responsibilities

Home office counsel has many responsibilities, he observed. He is a member of a highly trained, experienced team composed of the production, underwriting, engineering and claims departments. His reports on both factual and legal situations are important to all departments and contribute materially to company policy in many matters. He reports to the president on suits of considerable dignity. This extreme care is necessary in the evaluation of facts and law submitted to him by trial counsel.

Home office counsel must review facts, determine whether all facts have been covered, and acquaint himself

with the law of the case. He must then, either alone or with the aid of a claims committee composed of his senior men, establish an adequate reserve, decide whether the case is one for trial or settlement and place a settlement value on the case where indicated.

In making these decisions he has the aid of many people, among them his local claims manager, a man of considerable experience and ability and finally the man who will influence him most, his trial counsel. He has either personally selected trial counsel or has had much to do with his retention. Every year men in these two positions determine whether millions shall be spent or saved, Mr. Faust observed. Many trial men believe they are held responsible for winning or losing litigation. This is not the case. The responsibility for settling or trying a law suit is entirely that of home office counsel.

Expected To Provide Review

Trial counsel is expected to provide a prompt review of the facts and suggestions for additional investigation if necessary, he pointed out. He is expected to provide a candid review of local law and its application to the facts, including of course, proper pleading; a careful review of the medical facts and appraisal of plaintiff doctors as witnesses if known; evaluation of insured and his witnesses as to appearance and probably demeanor on the stand; an opinion as to verdic range based on facts, county in which trial will be held and calibre of jury panel if known; as soon as the trial judge is assigned, a report on the judge's experience, past record, and counsel's experience in his court, and, finally, an honest opinion without hedging as to the merits of the case.

Agents Set Secretaries' Schools In 12 Wis. Cities

Wisconsin Assn. of Insurance Agents in conjunction with Wisconsin Fire Underwriters Assn. will conduct a one-day school for secretaries starting this week. The office assistants will receive instruction on the use of the fire manual, including building classifications, extended coverage classifications, co-insurance symbols and credits, cancellations and package dwelling policies. There will also be time devoted to good telephone usage.

classifications, extended coverage classifications, co-insurance symbols and credits, cancellations and package dwelling policies. There will also be time devoted to good telephone usage. The meetings will be held on the following dates in February in the towns indicated: 4, Milwaukee; 5 Racine; 6, Sheboygan; 11, Janesville; 12, Madison; 13, Wisconsin Rapids; 18, Oshkosh; 19, Green Bay; 20, Wausau; 25, La Crosse; 26, Eau Claire; 27, Superior.

Crispin Is Chairman Of Motorists Mutual

Carl N. Crispin, president, has been elected chairman of Motorists Mutual, and James W. Huffman has succeeded him as president.

Mr. Crispin has been with the company since it was organized in 1928 when he became secretary and general manager. He became president in 1946. Mr. Huffman, a former U. S. Senator and chairman of Ohio State University, has been with the company since its inception and has been a director and general counsel for the past 12 years.

Insurance Federation of New York will hold its annual reception for members of the legislature at the Sheraton-Ten Eyck in Albany Feb. 18.

National Union Assigns Gates To Chicago Post

National Union has assigned John W. Gates, secretary, to assist Vice-president John G. McFarland, manager of the western department.

Mr. Gates has been in insurance for 15 years, most of that time in production and in the field. He has been with the company for three years and has served in the home office production department. He became secretary last spring.

Md. CPCUs Elect Lee

Maryland chapter of CPCU has elected Gregory A. Lee, U.S.F.&G., president; Berkley Crockett, Reliance. vice-president, and Rose M. Bausch, Fireman's Fund, secretary-treasurer.



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Short Quiz for Agents:

- 1. WHY does Royal-Globe have a school for agents?
- 2. WHO should go to the next session of Agents' School?
- 3. WHEN is the next session of the Royal-Globe Agents' School?



answers:

- 1. Because it is to our advantage to have the best educated agents. It is an investment in the future for Royal-Globe.
- 2. You. It pays off for us, because it paid off for our graduates. It will pay off for you.
- 3. The next class starts on May 5th.

Ask your Royal-Globe Multiple-line fieldman or write to "Education Department," N. Y. office for information.



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Convention Dates

Feb. 10, West Virginia "I" Day, annual, Beck-ley.

Feb. 17--19, Health Insurance Assn., group insurance forum, Drake hotel, Chicago.

Feb. 19-21, Michigan Assn. of Insurance Agents, mid-year, Sheraton-Cadillac hotel, Detroit. Mar. 5-6, Fire Underwriters Assn. of the Paci-fic, annual, Fairmont hotel, San Francisco.

Mar. 10-11, Health Insurance Assn., methods & procedures forum, Biltmore hotel, New

Mar. 11, Pittsburgh I-Day, Penn-Sheraton hotel, Pittsburgh. Mar. 12-13, National Assn. of Independent In-surers, annual spring workshop, Monteleone hotel, New Orleans.

hotel, New Orleans.

Mar. 13-14, Conference of Mutual Casualty
Companies, underwriting conference, Conrad
Hilton hotel, Chicago.

Mar. 13-15, Tri State Mutual Agents Assn.,
annual, Lord Baltimore hotel, Baltimore.

Mar. 14-15, Tri-State Mutual Agents Assn.,
Lord Baltimore hotel, Baltimore.

Mar. 16-18, Eastern Agents Conference, Clar-idge hotel, Atlantic City.

Mar. 24, Rhode Island Assn. of Insurar Agents, midyear, Sheraton-Biltmore, Pr vidence.

Mar. 30-Apr. 1, Mid-West Territorial Conference of NAIA, Savery hotel, Des Moines.

April 1, National Assn. of Surety Bond Pro-ducers, annual, Westward Ho hotel, Phoenix April 11, District of Columbia Assn. of In-surance Agents, I-Day, Washington, D. C.

April 13-15, Tennessee Assn. of Mutual Insur-ance Agents, annual, Andrew Jackson hotel, Nashville.

April 14-16, Life Insurance Agency Managers Assn., A&S meeting, Edgewater Beach hotel, Chicago.

April 17-18, National Assn. of Casualty & Surety Agents, midyear, Muehlebach hotel, Kansas City.

April 24, Chicago "I" Day, Conrad Hilton hotel.

April 24-26, National Board of State Directors of NAIA, midyear, Fontainbleau hotel Miami Beach.

April 24-26, Southern Agents Conference, an-nual, Fontainebleau hotel, Miami Beach.

May 1-3, Louisiana Assn. of Insurance Agents, annual, Edgewater Guif hotel, Edgewater

May 1-3, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst, N. C.

May 2-3, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.

May 5-7, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.

May 8-9, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton hotel, Chicago.

notel, Chicago.

May 11-14, American Assn. of Managing General Agents, annual, Broadmoor hotel, Colorado Springs, Colo.

May 12-14, National Assn. of Mutual Insurance Agents, midyear, Kentucky hotel, Louisville.

May 13-14, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield, Ill.

May 19-23, National Fire Protection Assn., annual, Palmer House, Chicago.

May 22, Midwestern Independent Statistical Service, annual, Bismark hotel, Chicago.

May 23-24, Florida Assn. of Insurance Agents, annual, Fontainebleu hotel, Miami Beach.

June 6-7, Pennsylvania Claim Men's Assn., annual, Bedford Springs.

June 8-10, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City, Md. June 8-11, Conference of Mutual Casualty Companies, management conference, Grove Park Inn, Asheville, N. C.

June 9-13, National Assn. of Insurance Commissioners, annual, Conrad Hilton hotel, Chicago.

June 11-12, Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.

June 11-14, International Assn. of A&H Underwriters, annual, Statler hotel, Los Angeles.

June 11-14, National Assn. of Public Insurance Adjusters, annual, Hotel Traymore, Atlantic

City, N. J.

June 19-21, Georgia Assn. of Insurance Agents, annual, General Oglethorpe hotel, Savannah.

Aug. 10-13, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulpher Springs, W. Va.

Aug. 21-23, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings, Mont.

Sept. 4-5, Conference of Mutual Casualty Companies, sales and agency conference, Conrad Hilton hotel, Chicago.

Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.

Sept. 19-20, Utah Assn. of Insurance Agents, annual, Utah hotel, Salt Lake City.

annual, Utah hotel, Salt Lake City.
Sept. 22-24, International Claim Assn., annual,
French Lick Springs hotel, French Lick, Ind.
Sept. 22-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B. C.
Oct. 5-8, Conference of Mutual Casualty
Companies, annual, Chalfonte-Haddon Hall,
Atlantic City.

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Your experience in judging good risks should make it easy for you to select clients to whom you can safely offer the protection of an "all risk" floater policy. Walk-in business may not measure up to underwriting requirements. But you do have clients to whom it can be SOLD.

The better than average risks-the ones who deserve protection at mutual rates-can recognize their need when the floater policy is properly presented. The lower rates which "Shelby" agents have available help close the sale.

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Used Car Guarantors Fight Cal. Ruling

Protesting a recent ruling that warranty companies guaranteeing the performance of used cars come under the jurisdiction of the state insurance department, three companies doing this class of business have filed suits in San Francisco superior court to free them from such regulation.

The suits follow notification from Commissioner McConnell that they must qualify as insurance companies. The companies charge that they face destruction of their business, which they describe as substantial. The plaintiffs are National Bonded Cars, Inc., Car Warranty Corporation and Auto Warranty Co.

While it is reported that some new cars are so covered, practically all of the "warranties" issued are on used cars through regular used car dealers. The guarantee is against "breakdown" of mechanical parts of the car for varied periods of time.

Complaints received by the department appear mostly to be on interpretation of the buyer's contract, which, said an official of the department, "is the difficult area"—what is covered and what is not covered.

III. Brokers Elect, Name Bassler President

Insurance Brokers Assn. of Illinois elected Clarence J. Bassler of Chicago as president at the recent annual meeting there. Other officers named were: Spencer S. Willison, reelected vice-president; Le Grand A. Flack, vice-president; Glenn H. Koch, reelected secretary, and Frederic C. Stiles, reelected treasurer. All are from Chicago except Mr. Flack, who is from Effingham, Ill.

cago except Mr. Flack, who is from Effingham, Ill.
Named new directors (all from Chicago) were: L. E. Andrews, Emanuel Grossman, Robert Hannah, T. R. Johnson and Miss Elvera E. Milbreit.
Owen Lynch, vice-president of Chicago National Bank, discussed various

Johnson and Miss Elivera E. Milbreit.
Owen Lynch, vice-president of Chicago National Bank, discussed various aspects of setting up and handling a separate premium fund checking account as recently specified in a directive from Joseph S. Gerber, Illinois insurance director. John A. Kappelman of Economy Fire Equipment & Supply Co. gave a demonstration on testing and servicing of fire extinguishers and detailed some of the activities of United Fire Equipment Service Assn., of which he is an officer.

Farmers Casualty Names William Bowles President

William Bowles of Indianola, Ia., was elected president and agency supervisor of Farmers Casualty of Des Moines. Retiring President C. N. Rogers of Des Moines was elected chairman, Guy Maxwell was reelected vice-president and George Bowles secretary-treasurer.

American Surety Appoints Betteridge To K. C. Post

American Surety has appointed William K. Betteridge superintendent of casualty at Kansas City. He has been in casualty underwriting there since last September. Previously a special agent, he joined the company in 1956.

Promotes Two At Chicago

Raymond P. Di Domenico has been named a vice-president in charge of the casualty division of Youngberg-Carlson agency at Chicago. He joined the company in 1956 and has 14 years' experience. Miss Jannyce L. Wells was named assistant secretary. She has been with the agency since 1950.

Aetna Fire Advances Johnson, Two Others

Aetna Fire has advanced Ray D. Johnson Jr. to the newly created position of superintendent of casualty production at San Francisco, John F. Lane to assistant claim manager in New Hampshire, and G. William Ashton to supervisor in the home office automobile department.

Mr. Johnson transfers to his new post from Oakland, where he has been a special agent for three years. He joined the group as a casualty

special agent in Portland, Ore., in 1953. Leonard Kern, San Francisco casualty special agent, has been transferred to succeed him in Oakland.

Mr. Lane joined Aetna Fire as an adjuster at Boston in 1947. He was transferred to Manchester, N. H., as an adjuster in 1955, and as assistant claim manager in New Hampshire succeeds the late Edward E. Case.

Mr. Ashton was associated with his brother in the Ashton-Baldwin agency of Hartford prior to joining Aetna Fire in 1948, as an underwriter in the southern department.

American Group Names Knapp To Head Office Fire Underwriting Post

American group has appointed James F. Knapp assistant superintendent in the head office fire underwriting department. He entered insurance with Hartford Fire at Chicago in 1929. Later fire and marine manager of Secured of Indianapolis, he joined American Automobile as underwriting supervisor of fire and marine at St. Louis in 1954.



The \$5,000 phone call

"Hello, hello-Tulsa, Oklahoma calling . . ."

All at once, one of the American International Underwriters staff in New York was talking with an Oklahoma insurance agent.

"One of my oil drilling clients," said the Oklahoman, "is starting operations in Afghanistan. I'm trying to locate a market for his insurance. Friend of mine who knows AIU suggested..."

"We can handle it," said the AIU man. "The information we need from you is just about the same as for domestic coverage . . ."

And that first year, the Oklahoma agent's income was increased by more than \$5,000! For AIU provided his client with policies covering workmen's compensation, contractors general liability, automobile liability, contractors equipment coverage and everything else he needed for full protection.

Notice this additional fact about that phone call. It was easy for the Oklahoma agent to arrange full coverage of Afghanistan risks for his American client. But he

didn't even have to call New York—he could have called any of the nearer offices listed below.

In addition, AIU has world-wide facilities for on-thespot claims adjustments and other service.

American investments abroad amount to over \$22,000,000,000—with some of the insurance coverage on it almost certain to be in your own home town. You actually "competition-proof" your present accounts when you insure their overseas risks through AIU.

You'll find it good business to call the AIU office nearest to you — in New York, it's DIgby 4-9200. Ask for Dept. E.



AMERICAN INTERNATIONAL UNDERWRITERS

Boston - Chicago - Dallas - Denver - Detroit - Houston Los Angeles - Miami - New Orleans - New York Portland - San Francisco - Seattle - Tulsa - Washington

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Boston Names Willson In HO Ocean Marine

Boston group has appointed Paul B. Willson superintendent of the home office ocean marine loss department. He joined the companies as a loss examiner in 1952.

G. Hal Burnett, a veteran of 39 years in the insurance and surety field, has joined the Portland, Ore., general agency of Jewett, Barton, Leavy & Kern as bond department manager.

Three Are Advanced By Providence Wash.

Providence Washington has elected William M. Bancroft secretary and William G. Zehnder and George B. Gay assistant secretaries. Mr. Bancroft, formerly an assistant secretary, joined the company in 1950 and has been head of the home office reinsurance department since 1955.

Mr. Zehnder joined the company at New York in 1951 and served in that office until 1954, when he was put in

charge of the home office inland marine department. Mr. Gay has been superintendent of the workmen's compensation and liability division of the home office casualty department. He joined the company last June.

McMillon Addresses Wis. Agents

R. L. McMillon, district manager of Business Men's Assurance, Abilene, Tex., was guest speaker at a joint meeting of Western Wisconsin A&H Underwriters Assn. and Western Wisconsin Life Underwriters Assn.

Two Minn. Court Rulings Set Precedents In Auto Liability Cases

ST. PAUL—Two rulings handed down by the Minnesota supreme court have established legal precedents in automobile liability cases.

In one decision the court held that an insurance company is not relieved of responsibility when an insured conveys passengers for money in an isolated case. The court said the primary factor was whether the transportation is generally available to the public rather than whether money had been paid.

The court reversed the lower court and granted a new trial to a partner in a taxicab operation. One of the cabs developed mechanical trouble and the partner transported the passengers in his personal automobile. An accident occurred and he was sued. His insurer, St. Paul-Mercury, contested liability because of the terms of its policy covering carrying passengers for pay.

"In one isolated instance he transported a couple who were in a special predicament," the high court said. "We cannot say that he thereby converted his car into a public conveyance."

In the other case the supreme court held that merely mailing notice of cancellation of a policy is not sufficient; the insured must receive the notice. It reversed a lower court decision which had found that Farmers Insurance Exchange of Minneapolis need not help pay a judgment of \$18,000 against one of its insureds. The company contended it had mailed the car owner notice of cancellation of his policy two days before the accident. He claimed he did not receive the notice. The policy provided that mailing notice of cancellation "shall be sufficient proof of notice." But the court held that a provision that does not require that the insured receive notice the policy was being cancelled "would be in violation of the public policy of this state."

American Surety has elected Harold H. Hammer, New York attorney and investment counsellor, a trustee.

ASSISTANT TO PRESIDENT—Fire Underwriting Experience and Editorial Detail Background. Helpful to have had Home Office, Agency Company Experience. Start— \$8,000-\$10,000

REINSURANCE EXPERT—Must have considerable experience in negotiating and completing various types reinsurance contracts in reinsurance company operations. Start— \$10,000-\$12,000

PROCEDURE SPECIALIST—For Life, Casualty Company. Start— \$8,000

FIRE SPECIAL AGENT—Southeastern U.S. at least 5 years experience—32-45. Start—
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GALLERIES: Saturday Evening Post (Feb. 22 opening);

P.S. Exhibitor estimates exhibit will be viewed by at least 8,000,000 top prospects

for the policies with the P.S. — located in every city and town from coast to coast.

Life (March 17 opening); Sunset (March opening).

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American In Several Changes At Houston, Chicago, St. Louis

R. B. Thomas, resident vice-president of American group at Houston, is being transferred to Chicago with the same title and will be associated with Vice-president R. S. Chaloner, who continues as chief executive of the branch.

C. Wilbur Cecil, formerly administrative assistant at Houston, has been elected resident vice-president there. Clarence B. Schneider is transferring from Chicago to become assistant branch manager and Bobby M. Dowell has been promoted from underwriting supervisor to casualty manager at

Named Chicago Manager

Edward M. Howie, casualty manager at St. Louis, has been named assistant branch manager at Chicago. He will be in charge of underwriting. He will be succeeded by Harold A. Schmitz, who has been an underwriting supervisor at St. Louis.

Mr. Thomas joined the group at De-troit in 1936. Since then he has held important field executive positions in a number of branches, including Chiwhere he served 1951-55 as assistant branch manager prior to his election as resident vice-president at Houston. Mr. Cecil has spent his entire insurance career in Texas. He joined the group in 1936 as a special agent after working in a local agency four years. He was promoted to state agent in 1947 and to administrative assistant at Houston in 1957.

With Group 30 Years

Mr. Schneider has been with the group 30 years. He started at Chicago as a junior underwriter and held progressively more important under-writing positions there until 1937 when he was transferred to Minneapolis as underwriting supervisor. He returned to Chicago in 1952 in similar capacity and was named administrative assistant in 1955. Mr. Howie has spent 20 years in all line casualty underwriting. He joined the group at Detroit in 1942 as an automobile underwriter and later was given supervision of fidelity, burglary and glass underwriting. In 1952 he transferred to St. Louis to take charge of all casualty underwriting.

Mr. Schmitz has been 28 years with he group, all at St. Louis, where he progressed through casualty under-writing positions to underwriting supervisor. Mr. Dowell joined the group at Houston in 1949 following four years in a local agency. He, too, has specialized in casualty underwriting ultimately advancing to underwriting

Southwest Miss. Agents Elect Adams President

J. L. Adams Jr. of Gloster has been elected president of Southwest Mississippi Assn. of Insurance Agents at Brookhaven. Also elected were Hubert Godbold, Brookhaven, vice-president; Mrs. E. E. Woods, Mt. Olive, secretary; and Mrs. Mildred H. Davis, McComb, tressurer.

Geo. Herrmann Promotes Paul

Donald J. Paul has been named vicepresident in charge of agency production of George Herrmann & Co. agency
of Chicago. With the agency three
pears, Mr. Paul was a company engineer and field man before going into
the local and general agency field. He
is a graduate of Illinois Tech.

No Theft Cover For Pa. Clerks

Pennsylvania's department of tice has ruled that the state liquor of the board cannot insure its liquor of the local and general agency field. He
is a graduate of Illinois Tech.

Ark. Department OKs Filing on Family Auto, Rejects Rate Increases

LITTLE ROCK—The Arkansas de-partment has approved filings of National Bureau of Casualty Underwriters and National Automobile Underwriters Assn., revising the family au-tomobile policy form and making certain manual changes. However, the department rejected the part of the filing which proposed to extend the "two or more automobile credit" to include private passenger cars written

Earlier the department had rejected a proposed 26.4% increase in automobile liability rates and an 11% increase in property damage rates filed by the National Bureau. In denying the increases, Commissioner Combs pointed out that the department had approved two substantial liability rate increases as recent as February 1956 and April 1957, the full effects of which have not yet been fully realized. Also, the filing proposed to create a fourth territorial classification in eastern Arkansas and to make certain class changes which, department officials said, needed to be studied care-

In explaining the ruling on credit extension, Miss Fannie Hardy, executive assistant commissioner, said: "The justification for a 25% credit when two or more automobiles were rated as class 1 and class 1F and insured in the same policy was due to the fact that the majority of the time both of the automobiles would not be used simultaneously. In other words, it was to apply where an individual or hus-band and wife living in the same household, owned two automobiles and the majority of the time they would

be used alternately.
"This, of course," she continued, "could not be true in the case which you proposed because the business car rated at class 3 and the class 1 automobile used by the wife would both be on the streets and highways at the same time, and the risk would be the same as if cars were owned by sepa-rate individuals."

Indianapolis F&M Assn. Elects Helm President

H. Dale Helm, Gulf, has been elected president of Indianapolis Fire & Marine Underwriters Assn. succeeding Ray Geringer of American States. Millard Wenger, Wabash Fire & Casualty, is the new vice-president, and William Robertson, Secured, is secretory.

Caulfield Moves To S. F.

Edward L. Caulfield Jr. has been Edward L. Caulfield Jr. has been transferred from the Houston office of Fireman's Fund to the Pacific ocean marine department in San Francisco where he will assist in the underwriting and production of ocean marine business. Mr. Caulfield was formerly in charge of all ocean marine operations in Texas and prior to his Houston assignment he was a marine recial agent in the company's New special agent in the company's New England territory. He received his hull and cargo training in the New York office of the Fund.

Pennsylvania's department of justice has ruled that the state liquor control board cannot insure its liquor store personnel against personal losses by robbery. Independent Assn. of PLCB Employes, a store union, sought the insurance in case holdups in any of the

632 state stores also result in personal losses for clerks.

The liquor control board approved the plan but the attorney general's ofthe plan but the attorney generals of-fice rules that if the state extended such insurance to liquor store clerks, it would have to provide similar pro-tection for more than 60,000 other state employes for on-the-job losses such as theft of hats or coats in state

Insurance Women of Regional VIII will hold their convention at San Jose, Cal., Feb. 28-March 2.

Insurance Educators To Hold May Parley

Insurance Company Education Di-rectors Society members and their professional associates in colleges and the Skytop lodge in Skytop, Pa. Under the chairmanship of Louis Kortum of American Surety, vice-president of the society, the three-day parley will include a number of workshop sessions on insurance education problems and procedures.

Richmond Adjuster Saves \$200,000 Loss With **Airkem Smoke Odor Service**



A fire next door to an important men's shop in Richmond, Virginia might have caused a loss of \$200,000. But quick action on the

part of Adjuster P. L. Faison of Siebert Company, Inc. and Airkem Smoke Odor Service saved the insuring companies thousands of dollars.

Mr. Faison arrived on the scene before the blaze was brought under control. Examination revealed no damage to the shop, but the \$200,000 inventory of clothing smelled strongly of smoke. Airkem's Richmond office was called and a few minutes later their Smoke Odor Service representatives were on the job.

Airkem S.O.S. men worked throughout the night. By morning not a trace of smoke odor could be found. However, because of the size of the potential loss, a firm of chemists was called in to make an analysis. They reported no smoke odor present in the merchandise. This effectiveness has been confirmed by other authoritative laboratory tests and the experiences of the insurance industry.

This type of quick, permanent odor removal is performed daily by Airkem's international service organization. Whether the property is contaminated with smoke or other odors, whether it is durable goods or packaged products, the Airkem odor control experts perform an in-

valuable service. Write for a bulletin describing their services and for a directory of the 200 local representatives of this international

AIRKEM, INC. 241 East 44th Street, New York 17, N.Y.



For Odor Emergencies Call Airkem S. O. S.



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COMMENTS

TRENDS

OBSERVATIONS

British Insurers Also Feel Effects Of Higher Losses, Notably In Automobile

By GEORGE H. MENEFEE

The statement in the annual report of one of the companies to the effect that 1956 was the most difficult year since the war quite accurately speaks for most of the other British insurers. Since most of the larger companies and many of the smaller ones operate all over the world, they are affected by a wide range of influences—political, social, and economic. Restrictions on trade in various countries and political upheaval in others has caused the companies a number of headaches in the past year.

Generally speaking, the British insurance executive feels that the introduction of nationalistic legislation in certain countries has had the effect of interfering with the development of international insurance business. They feel that the various situations of this type will clear up in due course, but have strongly recommended to their managements that the companies keep their resources as liquid as possible.

Form Nuclear Insurance Group

During 1956 the British companies formed the British Insurance (Atomic Energy) Committee in conjunction with Lloyds for the purpose of providing insurance on atomic reactors. The program is progressing rapidly but spokesmen for the group say there are still many problems yet to be solved. In this connection the British companies have the same problem as their American counterparts: Capacity.

Fire insurance proved for the British companies to be more profitable at home than in other parts of the world. The very poor experience in the United States on fire lines for 1956 adversely affected many of the British companies although it was not sufficiently bad to offset the gains in their home territories and other favorable places. The net result was a slight underwriting profit for the year Where the experience was available, the loss ratio on an earned-incurred basis ran slightly over 51%. Commissions paid were 21%, and management expenses were just under 24%.

Automobile insurance is the major line for many British companies in their overseas operations, and, as might be expected, the results for 1956 were sour. In the United States the experience was poor—in the opinion of one British executive as a result of severe competition. This rise in competitive pressure he attributes to good underwriting results in preceding years. Another factor was the entry of companies into the automobile field that formerly confined themselves to fire lines.

The average British insurance man concerned with operating in the U. S. feels that the insurance companies are in for a bad time until provisions have been made for a quicker and more realistic reflection in the

rates of unfavorable claims experience. In contrast to the fire lines, the loss ratio on automobile ran to about 63%.

In referring to experience in Britain one official mentioned the ever increasing number of accidents and the rise in claims. He cites the increase in the cost of accidents, particularly in connection with repair of automobiles. The increase in traffic

C. N. Mullican Jr., fire manager of Fireman's Fund at Chicago, left. shown with Herbert E. Mase, also of the Fund and currently presi-Chicago dent of Assn. of Fire Insurance Examiners. The occasion for the picture was the first meeting of the association for 1958, at which Mr. Mullican was the speaker. Details of the meeting were reported in last week's isdensity constantly outstrips the small amount of improvement in the road system.

"It is evident to us that the maximum skill in underwriting is to no avail when the position has been reached where the premium can no longer be considered adequate. This is where we find ourselves now."

British companies were disappointed to learn that the special treatment on taxes in Great Britain, which the Chancellor of the Exchequer proposes to afford to certain companies, would not be extended to insurance companies.



Eyes Work Of Bureau In Reducing Pilfer Loss In N. Y. Port

In his report as president of the Security Bureau of New York, Lloyd H. Dalzell, chairman of Dalzell Towing Co. noted that the bureau, now more than 11 years old, has the objective of suppressing waterfront theft and pilferage in the Port of New York. There has been a gradual but steady improvement in the situation, he stated. Less than .0003 of 1%, or \$30 out of every \$100,000 worth of goods handled in the port, is lost to pilferage, and even these losses are being severely curtailed by the bureau's program in conjunction with the other law enforcement agencies.

Though the work of the bureau is principally centered in New York, losses sustained by members in outports have been reported to the local law enforcement officials there with whom liaison has been developed. Information thus supplied by the bureau has, in some cases, either prevented or curtailed such losses or resulted in the arrest of the thieves.

In 1957 41 successful convictions were obtained, bringing the total number of defendants convicted during the history of the bureau to 392. While these results are indicative of the bureau, they also reveal the cooperation of interested law enforcement agencies and district attorneys' offices.

One defendant who was sentenced to a lengthy prison term was a notori-(CONTINUED ON PAGE 36)

Government Reports Export, Import Of Reinsurance For 1956

WASHINGTON—U. S. insurance companies paid \$207.9 million in premiums for reinsurance bought from foreign reinsurers and recovered \$146.3 million in losses from them in 1956, according to a report released here by Jerome Sachs, director of the insurance staff of the federal bureau of foreign commerce. This was an increase of \$800,000 in premiums over 1955.

The excess of premiums paid over losses recovered in 1956 totaled \$16.6. Foreign insurers gave U. S. insurers reinsurance on which U. S. insurers paid \$27.7 million in losses. This left U. S. insurers net trade balance of \$50.7 million. In 1956 this trade balance was \$14.7 million less.

Mr. Sachs' bureau has made annual surveys of international reinsurance transactions since 1950. In 1949 \$125.9

million in premiums for reinsurance was ceded by U. S. companies to foreign reinsurers; this rose to a high in 1954 of \$212.7 million.

The accompanying table shows a breakdown of premiums ceded and losses recovered by both U. S. and foreign companies during the period, 1949-1956, the bureau has conducted its sur yeys.

	Net premiums paid on reinsurance ceded to abroad						Losses recovered from abroad on ceded reinsurance									
	1956					1951					1954				1950	
All areas	207.9	207.1	212.7	170.6	152.9	147.2	129.7	125.9	146.3	160.0	153.6	119.8	100.7	106.8	83.9	71.8
Western Europe, total Switzerlend United Kingdom Other Canada Latin American Republics	201.5 16.6 177.7 7.2 2.4 1.9	201.8 16.1 180.6 5.1 2.2 1.7	17.0 187.6 3.0 2.1 1.5	165.4 17.4 143.4 4.6 2.2 2.1	15.3 129.3 4.0 2.0 1.6	12.6 127.7 3.1 2.2 1.3	1.7 1.2	123.6 8.2 113.8 1.6 1.3	13.8 124.2 3.5 2.8 1.0	12.1 140.4 3.3 2.2 1.2	13.7 133.3 2.9 2.3	115.6 13.9 99.3 2.4 2.5	97.2 11.3 83.7 2.2 2.5	103.5 6.7 95.7 1.1 2.7	81.3 5.8 74.6 .9 2.1	70.4 8.6 61.0 .8
Other Countries	2.1	1.4	1.5	-9	.7	-3	•3	.3	1.0	8,	.7	-7	-4	.1	.2	•2
	Net premiums received on reinsurance assumed from abroad							Losses paid to abroad on assumed reinsurance							_	
All areas	38.6	33.0	29.2	28,3	21.4	18,1	17.5	14.1	27.7	21.9	19.4	17.4	13.2	12.2	10.7	10.2
Western Europe, total United Kingdom Other	20.0 13.3 6.7	16.9 12.1 4.8	15.7 12.1 3.6	14.1 10.8 3.3	11.1 8.4 2.7	10.2 8.1 2.1	10.2 8.0 2.2	9.7 7.8 1.9	17.9 12.3 5.6	13.1 10.0 3.1	10.9 8.3 2.6	10.5 7.8 2.7	7.6 6.0 1.6	6.9 5.3 1.6	7.1 5.9 1.2	7.9 6.6 1.3
Canada	. 8.8	5.3	4.1	4.2	3.5	3.0	2.9	1.2	5.4	3.3	3.2	2.3	2.1	1.8	1.8	,6
Latin American Republics	7.0	7.3	6.3	7.3	3.7	3.4	3.0	2.1	3.1	3.1	3.9	2.8	1.9	2.2	1.3	1.0
Other Countries	2.8	-3.5	3.1	2.7	3.1	1.5	1.4	1.1	1.3	2.4	1.4	1.8	1.6	1.0	.5	.7

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NAMIA Okays Extra Ad Aids To Members, Claim Service Plan

WASHINGTON—The advertising and selling committee of National Assn. of Mutual Insurance Agents, meeting here, authorized additional advertising aids to NAMIA members, with priority on the newspaper mat service provided by NAMIA.

Community level advertising by the local agent, with emphasis on the use of newspapers, it was concluded by the committee, is the foremost means by which agents can maintain and in-crease business. The agent should gear his advertising to the local level, spend more in this direction, and spend wisely, the committee said.

Advocate Use Of Direct Mail

The use of direct mail in local level advertising also was advocated by the committee, which has authorized the printing of an institutional folder set-ting out the effect of increases in losses on insurance costs. Designed by Kemper group, the folder has been made available to NAMIA for distribution to members.

A second mailing piece, entitled "Is Your Insurance Agent a Puppet?" was approved. The mailer points up the advantages of dealing with an inde-pendent agent. Designed by Claude Spencer, Danville, Ill., agent, and a director of NAMIA, it already has been put into use in Illinois.

Also approved was a national claim service program, which will be submitted to members for approval. It proposes an agreement by all members to service the claims of any other er member, wherever they might arise. Identification would be ex-pedited by the use of the mounted warrior emblem of NAMIA. The use of the emblem by members in the yellow pages of the telephone book and in all other advertisements and correspondence, plus the use of emblem seals on auto bumpers and identification cards would facilitate the working of the program, the committee said.

The slogan on the emblem has been changed from "Defender of Select Property Owners," to "First in Amer-The new slogan alludes to the priority position of mutual insurance, which was introduced in America in

Pa. Educational Conference Will Be Held June 8-10

The annual insurance educational conference will be held at Pennsylvania State University June 8-10. Pennsylvania Assn. of Insurance Agents, represented by Educational Committee Chairman Seymour Nogi of Scranton; Anthracite Fire Underwriters Club, Pennsylvania Field Club, Smoke & Cinder Club, Underwriters Club of Philadelphia, Casualty Assn. of Pittsburgh, Casualty & Surety Managers Assn. of Philadelphia, and Casualty & Surety Assn. of Philadelphia, and Casualty & Surety Assn. of Harrisburg are sponsors with the university. The annual insurance educational

Chattanooga Agency Honored

Chattanooga Agency Honored
Travelers has presented the Pryor,
Love & Lewis agency of Chattanooga
a plaque commemorating the agency's
50 years of representing the company.
The insurer honored the agency at a
luncheon attended by officers of the
agency and Travelers representatives
from Hartford and Nashville.
A. S. Gray, assistant superintendent
of agencies, presented the plaque to J.
Walter Love, a partner in the agency
with Rufus J. Brown and Addison L.
Webb.

N. E. Fishing Fleet Safety Plan Study Authorized By U.S.

WASHINGTON-As part of a continuing study of the insurance prob-lems of the New England fishing fleet, the federal fish and wildlife service has awarded Ebasco Services of New York a \$25,000 contract to develop a vessel safety program for fisheries in the northeast coast area.

The study will have the double purpose of providing better safety con-ditions for the men of the fishing fleet and for the reduction of personal injury insurance costs.

Hull and personal injury insurance costs constitute one of the important items of expense in the New England fishing industry. A study of hull insurance problems has been completed.

Study To Take One Year

The safety study is to be completed in a year, after which the federal bureau of commercial fisheries will submit it to the segments of the fishing industry concerned for their consideration and voluntary action.

Ebasco Services are engineering consultants. Its division of insurance and safety studies will make the vessel safety program study.

Form Iowa Speakers Bureau

Iowa Fire Underwriters Assn., aided by Des Moines Casualty & Surety Club and Iowa Assn. of Insurance Agents, has formed Iowa Insurance Speakers Bureau. The bureau consists of 36 speakers qualified to discuss all phases of the business, who will be available to social, fraternal or business organizations interested in a speaker for their meetings.



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The HANOVER INSURANCE COMPANY

The FULTON INSURANCE COMPANY [ESTAB. 1929]

Home Office: 111 John St., New York 38, N.Y. CHICAGO . SAN FRANCISCO . TORONTO





Weekly Newspaper of Fire and Casualty Insurance

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SALES OFFICES

ATLANTA 3, GA.—423 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern

BOSTON 10, MASS.—80 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang. New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wieghaus and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associ-ate Manager; Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—708 Employers Insurance Bidg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.-234 Commonwealth Bldg., Tel. Amherst 6-2725. Fred L. White, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bidg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 29, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

LOS ANGELES 66. CAL,-11326 Kingsland St., Tel. TExas 0-8159. E. C. Faris, Associate Pacific Coast Manager.

MINNEAPOLIS 2, MINN.—1038 Northwest-ern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo E. Wohlgemuth, Resident Manager.

SAN FEANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

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Editorial Comment

N. Y. Disapproves Another Rate Increase

disapproved the application by Associated Hospital Service of New York (Blue Cross) for increases in rates that amounted to approximately 40%. In view of the New York department's reasons for disapproving on increase for automobile liability rates, especially the showing it made at the hearing it conducted that the insurers are in no danger of insolvency, because of their large policyholders surpluses, Mr. Holz's reasons for turning down the Associated Hospital Service application are especially interesting,

AHS had \$14,300,000 of free surplus at last year end. This item had shrunk by more than \$6,700,000 in three months-and has been shrinking since as costs continued to exceed income. this free surplus would be completely exhausted by next June 30.

"I am prepared," Mr. Holz ruled, "to give immediate attention to any application for an increase in rates which may be submitted when it becomes apparent that the plan's free surplus will become exhausted. I am not unmindful of the fact that a period of at least three months is essential before any approved rate increases, as a matter of orderly business procedure, can actually be put into operation by the plan (AHS).'

The law creating AHS requires it to accumulate and maintain a special contingent surplus fund, called the "frozen surplus," via 4% of annual premium until the fund reaches a sum equal to 25% of net annual premium income. The statute also provides that this fund may not be withdrawn or reduced below the required amount without the insurance superintendent's approval. This fund was more than \$29.5 million last Dec. 31 and was increasing about \$500,000 every quarter.

Pending action on a new rate increase application, Mr. Holz authorized withdrawal from the frozen surplus of "a sum sufficient to meet the needs of the plan's operations". "However, such authorization shall not in any manner relieve the plan from the necessity of always maintaining reasonable ample surplus funds for the protection of its subscribers." Consequently, the opinion reads, "the plan is hereby directed to submit to the department monthly statements reflecting operating results and changes in its surplus position" to be sure that the frozen surplus is being maintained at a safe level.

At the outset of his opinion, Mr. Holz avers that "the superintendent is obligated to guard against excessive rates, so, too, is he under an equal responsibility to insist upon adequate rates. The questions which I must resolve are, what is the minimum rate which will be needed in order to permit the plan to operate on a sound basis, and what is the latest date to which a rate increase, if any, may be safely postponed?"

The fact that hospitals generally are

Superintendent Leffert Holz has them by Blue Cross because they do not cover actual costs-several hospitals in the east have terminated their contracts with Blue Cross for this reason-is reflected in Mr. Holz's opinion. Commenting on the fact that the formula under which the Blue Cross charges are determined is approved as to adequacy by the commissioner of social welfare and as to reasonableness by the insurance superintendent, Mr. Holz states:

"The reasonableness of the payments (under the formula) is indicated by the fact that plan payments have constantly lagged behind the costs or billing charges for services rendered by member hospitals to subscribers."

Mr. Holz is at least consistent in his The management of AHS testified that reasoning. What was implied in the auto rate hearing was that the insurers can use some of the growth which they have experienced since 1947 to pay for the product.-K.O.F.

pay the current excess of losses over income, whatever line produced the growth. What is spelled out in the Blue Cross disapproval is that that organization can liquidate altogether its free surplus, which Mr. Holz states is "a concomitant part of prudent management in the operation of the plan," in paying current excess of losses over income-and it can use some of the frozen surplus required by statute, if necessary, to do the same

The decision, and the reasoning of it, put AHS on a hand-to-mouth basis; and it tells management, which has been prudent enough to accumulate some free surplus, to let the fruits of its prudence go down the drain. Perhaps the most discouraging aspect of this expression of philosophy by the best manned and probably the most efficiently operated state insurance department in the country is that in effect it is saying to AHS, as it implied to the auto insurers in the auto liability rate increase matter, that the growth in recent years isn't growth at all, but fat, and they can toss the fat into the fires of a price that doesn't

Personals

from insurance of Ernest Palmer, the



Ernest Palmer

continuation of the story did away with Mr. Palmer altogether by reporting that he had died. Mr. Palmer is vacationing in Florida and on his return to Illinois will resume the private practive of law at Springfield with offices in the First National Bank building, His career is definitely not ended.

Mrs. Kathleen Osborn, owner of the Osborn agency in Indianapolis, was the victim of a vicious hammer attack in her office by an unknown assailant who fled with her billfold and \$50. She was released after treatment at General hospital.

Lawrence B. Damon, a partner in the Boston agency of Storer, Damon & Lund, has been elected a trustee of the Museum of Science in Boston.

James T. Blalock, executive vice-president of Pacific Indemnity, was reelected president of the Greater Los Angeles chapter of National Safety Council at the chapter's annual meeting.

William R. Clark, supervisor of the rate and policy division of the Texas board of insurance, is recuperating at his home after undergoing major sur-

Gov. Furcolo has appointed Edward Larner Sr. of Employers Liability to the committee organizing the Feb. 16 dinner to raise funds for the Massachusetts Scholarship Foundation.

Edwin R. Luecke, son of vice-president E. H. Luecke of America Fore, and Miss Carole Brown of Forest Hills, L. I., are being married there Sunday. dissatisfied with the amounts paid They will live in St. Louis where the

In reporting last week the retirement younger Mr. Luecke is with the Gaylord Container division of Crown Zellerbach.

> Richard M. Newcomb, with Royal-Globe at Pittsburgh in underwriting and in the Allegheny county field, and Miss Jeanne Ann Livengood are being married Saturday in Pittsburgh. The bridegroom's father is W. E. Newcomb, president of Great American.

> Harry L. Horton of the J. H. Sherard agency in Abbeville, S. C., has been named that city's "Young Man of the Year" for 1957 by the junior chamber of commerce there for his activities as president of United Fund of Abbeville county.

> Stuart V. Nims, president and director of the Fidelity agency of Keene, N. H., and secretary-treasurer of Sutton Mutual Fire, has been named the Democratic candidate for election to Congress from the second (N. H.) congressional district.

> William D. Galbreath, Memphis agent, has been elected president of Real Estate Board of Memphis.

> Frederick W. Doremus, manager of Eastern Underwriters Assn., will be toastmaster at the annual banquet of Insurance Society of Philadelphia Feb. 17 at the Sheraton Hotel there. At one time in his long career in the business he was vice-president of the society.

New Handbook Is Published For Ohio

A new Underwriters Handbook of Ohio has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Ohio Handbook may be obtained from the National Underwriter Company, at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

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Deaths

CHRISTIAN ZOERCHER, 79, local agent at Tell City and one of the best liked insurance

men in the state of Indiana, died of a heart attack at his home. He was a past president of Indiana Assn. of Insurance Agents and one of the most faithful in attendance at its meetings.

Two years ago, between sessions at the Indiana

agents' convention, the Hammond Naagents' convention, the Hammond National Co. agency, headed by Howard J. Gescheidler Sr. and Howard Gescheidler Jr., took note of Mr. Zoercher's 77th birthday at a reception, and four of Mr. Zoercher's friends spoke briefly on his qualities as an insurance man and a friend. He was the acknowledged dean of the business in the state and held the title of the "finest insurance man" in Indiana.

Chris Zoercher

KENNETH M. VICK, 42, state agent in northern Illinois of Firemen's, Metropolitan and Commercial of Loyalty group, died at Rockford. He started with the companies at Chicago in 1946, and subsequently was two years in Springfield as special agent before going to Rockford as state agent.

EVERETT D. WILKINS, farm special agent in southeastern Indiana for Hartford Fire, died. He had been with the company for 20 years and had been a member of Indiana Fire Underwriters Assn. for 15 years.

LAWRENCE H. HOOK, 66, retired manager of the downtown office of hard been struck by a hit-and-run driver. He joined the company when he was 15 years old and retired in 1952 after 45 years with it.

DALE BRADLEY, 32, of the Nelson-Bradley agency of Palms, a Los Angeles suburb, died of injuries sustained in an automobile accident. He had recently joined the agency after having been in the field for Phoenix of Hartford.

DR. W. H. TIMMONS of Monticello, Ind., retired manager of Hartford Live Stock at Chicago, died. He would have observed his 79th birthday Feb .3. Dr. Timmons was a graduate veterin-

arian and was instrumental in organiz- J. B. Cullison, Pioneer ing Hartford Live Stock's nationwide activities. During his nearly 30 years with the company he was credited with making major contributions to the growth and importance of livestock mortality insurance throughout the country. He retired Jan. 1., 1948, and moved from Chicago to Monticello. One son, W. Melvin Timmons, is comanager of Hartford Live Stock.

JOSEPH E. SNELL, retired vice-president of Crum & Forster, died at his home in Caldwell, N. J. At his retirement in 1954 he was manager of the middle department and had been with the group more than 50 years.

NAY COCHRANE, state agent in Ohio and Indiana of Merchants Fire of thumb to the formation of Crop-Hail surance Bureau.

Denver, died. Insurance Actuarial Assn., of which Rain & Hail Bu

J. M. FORBES, 72, Clarksville, Tenn., agent, died at his home there. He entered the business there in 1941 when he organized the F.&C. agency which he later sold in 1951.

EMMERSON J. SCHOFIELD, 72. former vice-president of Standard Ac-

cident and of Globe Indemnity and active in in-surance for 43 years, died at Cottage hospital, Grosse Pointe, Mich., after a brief illness. He joined Standard Accident in 1906 after having practiced law in Michigan. He rose to superinten-



F. J. Schofield

dent of the per-sonal accident and claim department, superintendent of agents and assistant secretary. In 1925 he became vice-president. Five years later Mr. Schofield left Standard Accident to become vice-president of Globe Indemnity, and in 1935 he resigned but was elected an honorary vice-president of that company. For three years he was engaged in insurance advertising and publicity work. In 1938 he was appointed permanent chairman of the casualty and surety acquisition cost conferences. He retired in 1949.

RALPH R. WOOD, 64, Daytona Beach, Fla., agent, died there.

JACOB J. KOSTEN, 75, agent for 25 years at Grand Rapids, died.

EDMUND E. LAMB, 62, founder of Lamb, Little & Co. agency of Chicago, died of a heart attack. Mr. Lamb was in the life insurance business for about 25 years before founding Lamb, Little in 1949. He started with W. A. Alexander & Co. as head of the life department, and then was general agent in Chicago for National Life of U. S. A. and later for Columbian National.

Lamb, Little & Co. was founded as McCormick, Beatty, Lamb & Fergus.

Two of Mr. Lamb's sons-in-law
are in the insurance business: Robert

Hannan is associate general agent in Chicago of Massachusetts Mutual Life, and John J. McDonald is general agent at Denver of Columbian National Life.

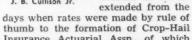
NICHOLAS YARD, 67, one of the founders of American International Underwriters, former president and di-

(CONTINUED ON PAGE 39)

In Hail Insurance, Dies

James B. Cullison Jr., 74, retired manager of Rain & Hail Insurance

Bureau, died at Evanston, Illinois, of a stroke. He was one of a small group of pioneers who developed crop-hail insurance into a recognized standard coverage, and was probably the most influential of anyone in this regard because his career J. B. Cullison Jr.



he was first president. Wentworth Military Academy at Lex- cate or pool would put the crop-hail ington, Mo., and Oklahoma A.&M. He business on a higher, more businesscompleted a one-year special law

course at the University of Chicago. His first business experience was in his father's law office at Enid as a clerk. He also opened a real estate, insurance and loan office at that time and spent some time farming and teaching as well as soliciting insurance. In 1914 he became a special agent for the Otjen & Taylor general agency of Enid, specializing in hail business and hail adjustments. In 1917 he moved to Minneapolis to become manager of the hail department of Twin City Fire and assistant manager of the hail department of Great American and American Alliance, working for the general agency of Mowrey & Gordon. Two years later he was made manager of the rain and hail departments of Aetna Fire, North America and Springfield F. & M., operating as Rain & Hail In-

Rain & Hail Bureau was created by was first president. Mr. Cullison out of a belief that get-Mr. Cullison was born at Muscatine, ting several fire companies with na-Ia., and was educated at Enid, Okla., tionwide agency plants into a syndicate or pool would put the crop-hail

(CONTINUED ON PAGE 33)

YOU Can Start a Chain Reaction of Sales . . .

by Joining the March to N.A.A.I.C.* Your future with this company can grow . . . and grow:

New, Streamlined Life Portfolio! NAAIC's Life lines have been revised-realistic, saleable rates.

New Group Facilities — Life and A&H!

Outstanding Agency Contract! Ask any North American Agent what he thinks of his contract! It's unbeatable!

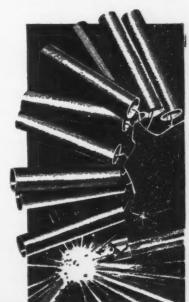
There are other reasons, too, why top insurance men know it's smart business — profitable business to work with the North American Accident Insurance Company — Chicago.

- Top Commissions . . .
 Level A&H Renewals
- No Branch Offices To Compete With You
- Concrete Assistance gets you off to the right start with hard-hitting sales aids and promotional
- Extra Incentives to supplement your production achievements.

If You Are Interested In Making Money
—Not Just Today But Years From
Now—remember you can start a chain
reaction of sales by writing

S. Robert Rauwolf, Vice President, Dept. J

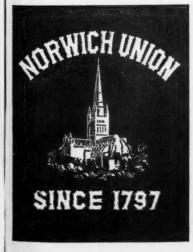
*The familiar abbreviation for the North American Accident Insurance Company— 'one of America's oldest and strongest Per-sonal Insurance stock companies.





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Licensed to operate in the 48 states and the District of Columbia LIFE . ACCIDENT - HEALTH 209 SOUTH LA SALLE STREET . CHICAGO 4. ILLINOIS



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Say Hospitals Force Aged To Subsidize Blue Cross

(CONTINUED FROM PAGE 6)

Massachusetts has caused losses to hospitals is indicated by the apparent reinstitution under another guide of a recently abandoned initial service charge by some 25 hospitals which had it. These hospitals, acting on a Massachusetts Hospital Assn. recommendation, are discontinuing the \$15 admission fee but have al-

serious ready announced they would boost daily room rates.

In defense, Raymond F. Heislein and Dr. Norman W. Welch, presidents of Blue Cross and Blue Shield, respectively, declared that socialized medicine would be forced on the people if the special study group continues to run down the organization.

They denied that the Blue plans are decision of some hospitals to increase under the domination of a handful of people who exercise authority without regard to subscribers. The enabling act under which Blue Cross was established prevents such control.

They defended the plans' advertising on grounds that it is necessary in order to attract and hold members and keep subscribers informed about their coverages.

Appearing before the hearing conducted by the study group into the

their rates. Richard Bullock, chairman of Burbank hospital at Fitchburg, said that Blue Cross does more for the people than any other plan but still could be improved. He said hospitals should be permitted to collect charges from subscribers whose family income exceeds \$7,000 in order to reduce Blue Cross writeoffs. The writeoffs impose an unfair burden on taxpayers where hospitals derive support from cities.

Extend Commission For Another Year

The Massachusetts legislature has voted to extend the life of the study

commission for another year. Recently, Francis X. Lang, state commissioner of administration, ordered all hospitals participating in the Blue Cross plan to abandon the practice of charging patients a \$15 admission fee. He based his authority to issue the order on a law which governs contracts between hospitals and non-profit hospital plans.

Dr. Dean C. Clark, president of Massachusetts Hospital Assn. and director of Massachusetts General hospital at Boston, has contended that Mr. Lang acted without authority and that the admission fees imposed by the approximately 25 hospitals were the fairest for absorbing higher oper-

Mr. Lang agreed to extend his deadline for withdrawing approval of hospital Blue Cross contracts for a month on condition that conferences be held in an effort to reach an agreement. If these meetings fail, a court test should be held, he said. If the courts uphold him, he wants hospital officials to try to induce institutions to refund admission fees collected after December

Question Hospital Efficiency

In Pennsylvania, criticism of Blue Cross was made at public hearings conducted by Commissioner Smith on requests for rate increases filed by Associated Hospital Service of Philadelphia. Witnesses questioned the efficiency with which hospitals are operated and the adequacy of their accounting systems. The reimbursement arrangements between Blue Cross and the hospitals also were questioned. It was suggested that hospital facilities may be subject to over-use by Blue Cross subscribers.

Representatives of half a dozen hospitals said they are dissatisifed with the terms of payment for services rendered to subscribers. They said discounts to the Blue Cross amounted to 11 to 15%. They charged that this deficit had to be made up by increased charges to non-Blue Cross patients.

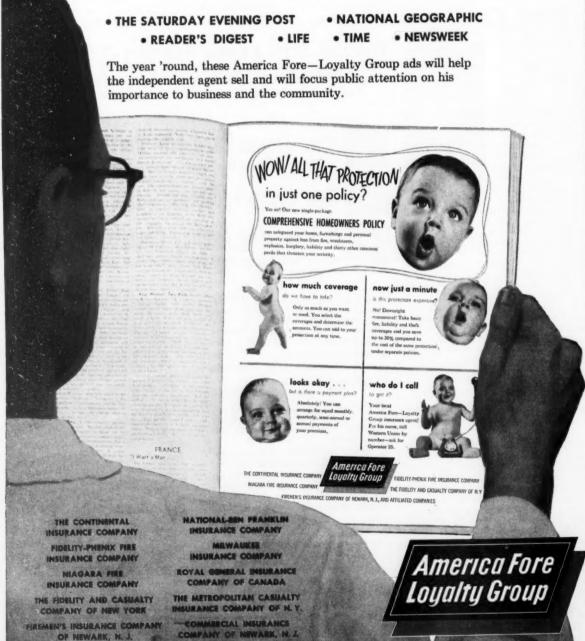
Dr. Frederick A. Bothe, president of Philadelphia County Medical Society, declared that approval of the rate increase would price Blue Cross out of the market and would leave a large segment of the population without coverage. Rates should be maintained at close to present levels, even though some changes would have to be made in the coverage. Blue Cross should be designed primarily for the low and middle ircome groups.

Evans & Riley Form New General Agency In Reno

A new general agency has been formed in Reno by A. S. Riley and Wyman Evans, both long time employees of the J. E. Slingerland general agency which has been sold to Hartford Fire. The new agency, to be known as Evans-Riley, Inc., will re-present Commercial Union group and Northern Assurance. The new office is at 510 Plumas street, Reno.

YOU'RE LOOKING OVER 100 MILLION SHOULDERS!

That's how many readers we will reach with this month's striking America Fore—Loyalty Group advertisement in these top magazines:



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ABA Urges That Banks Inspect And Correct Weaknesses In Protection Against Burglary

ness premises and to take steps to correct any conditions which may make them vulnerable to attack by burglars.

While current statistics on bank burglaries may not be impressive when compared with records of years ago, Thomas F. Glavey, vice-president of Chase Manhattan Bank, New York, and chairman of the ABA committee, points out bank burglary is not a lost

According to figures for the ABA fiscal year ended Aug. 31, 1957, he said, banks reported 26 attempted burglaries and 32 burglaries in which the loot taken and damage done amounted to \$185,272. Previously, in the 1955-56 year, banks reported 49 attempted burglaries and 28 burglaries with loot, including damage, amounting to \$214,-

In contrast, he said, stand the high marks of 220 burglaries with losses of \$287,745, and 261 burglaries with loot of \$249,301, both reported for 12month periods in the 1920s.

The principal targets for burglars are the smaller country banks or outlying branches of larger banks, he

Recommend Self-Inspection

Self-inspection recommended by the committee should reveal whether the bank appears vulnerable, whether there are points of easy entry, such as unlocked or unbarred windows and doors with exposed hinges from which the pins can be removed, and whether efficient alarm system protects vaults, safes, and night depositories.

Mr. Glavey said that points of entry in the order of preference of burglars are rear or side windows where, in the absence of sufficient lighting or any lighting at all, there is little chance of being seen or detected by resident neighbors and passersby, and unbarred windows or windows with easily removable bars; rear doors unlighted or not well lighted; front doors; cellar doors and other openings, such as transoms, coal chutes, or ventilators; and skylights or floors above a bank.

Lighted vs Unlighted Interior

There is a serious difference of opinion as to whether it is safer to have a lighted or unlighted interior, he said, and there are police and bankers on both sides. One group contends that a bright light above a vault or safe puts burglars in view and that an extinguished light could indicate that the bank might be under attack. Another group contends that in an unlighted bank any light needed by burglars for their work might alarm anyone noticing the illumination. Both recommend that windows be left unshaded and that

The insurance and protective com-mittee of American Bankers Assn. has watchman or police authorities for urged bankers to inspect their busi-frequent but irregular inspections during the night.

Must Check Equipment Often

Another important contribution to the prevention of burglary is periodical inspection of protective equipment, he said. Generally, this one factor deserves more attention than it now receives. For instance, last year a bank was burglarized and its vault door subjected to an acetylene torch. This bank reported that its alarm system had been out of commission since a flood three years ago. Other banks reported that they had alarm systems protecting only the locking mechanism or the lining of the outer vault door but not the walls, ceiling, and floor of the vault through which entry was made by burglars. Tear gas systems were installed, but the bombs were outdated.

There is, he said, a variety of protective equipment available to meet the needs of all banks, including those with resources permitting only limited expenditures.

Appreciate Genius

The management of every well protected bank doubtless enjoys an appreciation of the inventive genius of man in producing vaults, safes, and protective equipment having a high degree of resistance to attack, he said. But, he added, in their appreciation they should not disregard the genius of burglars whose minds work in the direction of destruction.

Mich. Agents To Decide On Assn. Status Change

LANSING, MICH.,—Members of Michigan Assn. of Insurance Agents at the mid-year meeting in Detroit Feb. 19-21 will be asked to approve incorporation of the organization as a non-profit corporation. The membership is being notified by bulletin of a recommendation from the executive committee relative to this procedure.

W. O. Hildebrand, secretary-manager, was authorized at the Septemager, was authorized at the September convention to proceed with steps toward incorporation, engaging any necessary legal assistance. It was noted that the national association adopted a resolution at its September meeting to become a corporation. meeting to become a corporation.

Home Mutual Names Washechek

As Engineering Department Head George J. Washechek has been named chief engineer and head of the engineering division of Home Mutual's underwriting department. Mr. Washechek has been with the company five years. Pefore that he was with Fire Insurance Rating Bureau of Milwau-kee and Improved Risk Mutuals.





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Accident & Sickness

Approve 10% Ind. Blue Cross Rate Increase

A Blue Cross rate increase averaging 19%, approximately one-third of what had been requested, has been approved by the Indiana department. Commissioner Palmer said that in approving the trimmed-down increase, he was making a recommendation that Mutual Hospital Insurance, Inc., the Blue Cross insurer in Indiana, must offer an alternate plan under which policyholders could accept policies with a deductible.

Commenting on the cut-down increase, Guy Spring, executive director of Blue Cross, stated, "If we had felt the rate increase granted would be adequate, we would have asked for that amount."

Industry observers in the state credited an "all-out" campaign by the *Indianapolis Times* for blocking the full increase requested ranging from 15 to 40%, and averaging approximately 30%.

New Blue rates for the comprehensive plan approved compared to rates requested and former rates are as follows:

Single persons—old rate, \$2.60 a month; requested, \$3.45; approved, \$2.90.

Family—old rate, \$7.10 a month; requested, \$8.60; approved, \$7.90.

Substandard A&S Discussed At Detroit

In a recent talk before A&H Underwriters's Assn. of Detroit, Fred T. McCann, superintendent of substandard division of Continental Casualty, said Substandard A&H and hospitalization is a new concept in insurance. Speaking from an agent's point of view, he explained that the agent needs a positive tool which will enable him to quote on a given impaired risk on the spot, without having to wait for word from the company as to whether a risk is acceptable and at what rate.

at what rate.

"Our main problem to date," Mr. McCann said, "is merchandising. That is, letting the agents know that Continental writes this coverage on a brokerage as well as a direct basis. The fact that we have over a million dollars in substandard coverages on our books as of the end of 1957 shows that we have had some success in merchandising." He declared that 97% of those applying for substandard at his company have been accepted, despite physical impairments that included past records of coronary diseases, diabetes and the like.

"As a stimulus to other lines of business, he said, substandard cannot be equaled. "Picture the person who has recovered from some previously uninsurable condition like cancer and is interested in protecting himself and his family from financial loss in case of another unrelated illness. When he finds that he can be insured not only for the new illness but also for reoccurrances of his old condition, he is delighted. Such good relationships can be built up between the policyholder and his agent in cases like this that allowing the agent to handle his other insurance needs is a matter of course."

Illinois Mutual Casualty Names Doty In Illinois

Walter C. Doty has been appointed field supervisor for central Illinois of Illinois Mutual Casualty. George Powers, who has handled this area for Illinois Mutual, will become a special representative of the agency department.

Mich. Group To Study Hospital Pre-Pay Plans

A comprehensive 2-year study of hospital and medical care pre-payment plans will begin in March, financed by a \$324,760 grant from the Kellogg Foundation, Battle Creek. The study will be directed by Walter J. McNerney of the University of Michigan's bureau of hospital administration, assisted by technical consultants and an inter-disciplinary policy committee of university faculty members.

The governor's study commission of prepaid hospital and medical care programs is participating in the survey, and aid is pledged also by the Michigan Hospital Service and Michigan Medical Service (Blue Cross-Blue Shield), Michigan State Medical Society, Michigan Hospital Assn., Michigan Assn. of Osteopathic Physicians & Surgeons, Michigan Osteopathic Hospital Assn., and Michigan Chiropodists' Assn.

Study Hospitals, Plans, People

The program will examine hospitals, allied institutions, and agents in respect to services offered, general program, effectiveness of organization and cost elements; hospital and medical pre-payment and insurance plans with specific reference to internal operation, costs, benefits, and contract limitations; relationships between contract benefits, availability of services and use of benefits and services by patients; proposals to control hospital and medical costs; and population samples to determine average health experience, charges incurred, amount of insurance coverage and current disability.

Carl H. Fischer, professor of insurance and actuarial mathematics at the University of Michigan, will be among the technical consultants. Professor McNerney has contacted insurance organizations among other groups to contribute to the project.

Everett Tells Dangers Of Federal Health Cover

Attacking the trend toward federal health insurance as a threat to private enterprise and to the 123 million Americans who now have health coverage, Ardell T. Everett, 2nd vice-president of Prudential, addressed the January meeting of New Jersey Assn. of A&H Underwriters.

Mr. Everett traced the growth of

Mr. Everett traced the growth of government control of the basic hospital insurance field in Canada, stating: "The Ontario Province plan will be restricted to providing thin supplemental benefits over and above the plan."

He pointed out the tendency of legislative bodies in the U. S. to pick up social legislation from overseas or across the border continues and labeled as "a definite intrusion into the field of private enterprise" Congress' 1956 extension of social security with its long-term disability benefits to all workers over 50.

He discussed the provisions of the Forand bill to be considered by Congress, commenting, "The American Medical Assn. considers it, as we do, nothing more than compulsory national health insurance and is opposing it strongly. If we ever go into federal health insurance, you're giving up a lot of freedoms, and so are your clients," he warned. "The client will

pay more than he's paying now, and he'll get less benefit."

He urged those present to call upon their companies to seek ways of broadening coverage into areas heretofore not insured. "We must do more in seeing that old-age coverage—even lifetime coverage—is made available to the insuring public for some type of hospital and medical care coverage."

The 1958 officers of the association were installed by Francis T. Curran, America Fore-Loyalty group, a past president and immediate past chairman of the association board. Richard H. Connolly, Washington National, is the new president and succeeds Eston V. Whelchel of Provident L.&A. Ephriam Weiniger, Paramount Mutual Life, is secretary.

Ill. A&H Assn. Names Sales Meet Speakers

Illinois State Assn. of A&H Underwriters has scheduled the following speakers for its annual sales congress, to be held in Chicago at the Prudential building May 7:

Alex Dreier, NBC newscaster; John Palmer of Robert Palmer & Associates; Chet Elson, Mutual of Omaha, Des Moines; Edward E. Mack Jr. of Mack & Parker, Chicago; Gail Shoup, IAAHU vice-president and membership chairman, Grand Rapids; James E. Rutherford, mid-America vice-president of Prudential and Director Joseph S. Gerber. A film on social security will also be shown.

The Illinois state board agreed to work toward building a new association in the Fox River Valley area. Working on its development are: L. J. Lewis of Bankers L.&C., Walt Myers of General American Life, both of Rockford; and Bruce Gifford, IAAHU managing director. The board also voted to take steps to carry on the membership plan as in Ohio. The board will hold its next meeting at the Baker hotel in St. Charles, Ill., April 11.

The Peoria association will meet on Feb. 21 at the Pere Marquette hotel, with Robert W. Osler of Rough Notes, Indianapolis, as the principal speaker.

At the January joint meeting at Rockford, S. B. Stottrup of Mutual of Omaha, spoke on the "Bed & Coffin." He said that covering bed risk is equally vital to covering coffin risk, adding that A&H insurance is expanding at a rate of 10% a year.

1958 To Be Good Year, McMillon Tells St. Paul A&S, Life Groups

St. Paul Life Underwriters and St. Paul Life Underwriters held a joint luncheon meeting recently at which R. L McMillon of Abilene, Tex., was guest speaker. Mr. McMillon, Million Dollar Round Table member and trustee of the National Assn. of Life Underwriters, told the associations that 1958 should be a good year for life and A&S, basing his opinion on the increased farm productivity, continuing excess of births over deaths and to modern economic controls developed since the 1930's.

Continental Casualty Names Frye In Minn.

James R. Frye has been named manager of Continental Casualty's A&H office in Minneapolis. Mr. Frye joined the company two years ago, leaving a position as sales manager for an automotive parts business. He was recently given special recognition by Continental as "Branch Man of the Month."

Deadline For LPRT Awards Is March 1

The deadline for members of International Assn. of A&H Underwriters applying for the 1957 Leading Producers Round Table awards is March I. With more than 30 applications already received, the number of qualifiers is running ahead of last year.

Qualification amounts are: Bronze award, \$10,000; silver award, \$15,000; gold award, over \$25,000 in annualized premiums. Group premiums can count up to one-third for any of the awards.

A final list of qualifiers will be announced before the IAAHU convention in Los Angeles next June.

Va. Blue Plans Seek 36-40% Rate Increase

Blue Cross and Blue Shield plans in Virginia have asked the state corporation commission for permission to raise their rates 36 to 40%.

The group rate for an individual under the standard Blue Cross hospital contract would be increased from \$4.90 to \$6.72 a month. A proposed deductible, however, would put the new rate at \$4.52. The individual under both Blue Cross and Blue Shield standard group contracts would pay \$10.60 a month, up \$3.

HIAA Designs Plan For Collecting Loss Data

A statistical plan designed to simplify and facilitate the accumulation of loss experience statistics from companies handling A&S has been completed and released to member companies by Health Insurance Assn. of America.

The plan, devised for individual A&S and individual and family hospital-surgical-medical policies, is the result of two years of research by the actuarial and statistical committee, headed by T. H. Kirkpatrick, vice-president and actuary of Paul Revere Life. Specifics were designed by a subcommittee headed by T. O. Schwarz, assistant treasurer and actuary of Standard Accident.

Information may be obtained from HIAA's office at 60 John street, New York 38, and additional copies can be purchased for 50 cents each at the Chicago office, 208 South La Salle street.

N. D. Blue Cross Rates To Go Up 30% in March

Blue Cross rates in North Dakota will be increased 30% with the March billings for individual contracts and April billings for group. There will be some expansion in benefits, but primarily Blue Cross is after more money on the grounds that rates have increased 21% since 1953 but hospital costs have increased about 33%.

"We can't hold the line any longer," R. A. Jydstrup, executive director, said. No increases for the Blue Shield plan are in the immediate offing.

Continental Casualty To Cover Kent State Students

Continental Casualty was low bidder on a voluntary A&S insurance plan for students of Kent State University. The proposal to install the insurance program, which will cover 5,044 students, was prepared by a student-faculty committee and was accepted through a student election. Trustees are expected to take favorable action on the plan when they meet this month.

The policy will cover students for \$500 of accident and sickness and has an annual premium of \$18. No physical examination is required.

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News Of Field Men

Okla. Manager, State Agent, Specials Named By Phoenix Of Hartford

Phoenix of Hartford has named State Agent Lester N. Hull to succeed John K. Goodwin Jr. as manager of the Oklahoma district office in Oklahoma City. Mr. Goodwin has resigned to go into agency work.

The group also has named James R. Pyle state agent and Charles R. Price Trans May A Actor special agents in wielder of the Indiana pond at a wielder of the Indiana pond at a second special agents in the second special agents agents agents agent special agents agents agents agents agent special agents agents agents agents agents agents agents agent special agents agents

and Max A. Acton special agents in Oklahoma.

Mr. Hull joined the group at the home office and was transferred to Oklahoma in 1949. He was appointed a special agent there in 1950, and advanced to state agent in 1956.

Royal-Globe Advances Accorti To State Agent

Royal-Globe has appointed A. Rob-ert Accorti state agent in Atlantic, Burlington and Camden counties, N. J. He succeeds Joseph W. Ritger, who has been advanced to assistant underwriting manager of the fire underwriting department in the New York of-

Mr. Accorti joined the group in 1953. He served most recently as special agent in Woodbury, N. J., where he will continue to make his office.
Mr. Ritger has been with Royal-Globe Miller Cleveland Special since 1937. After serving as special agent in Parkersburg, W. Va., he transferred to Camden, where he was made a state agent in 1950.

Western Mass. Field Club Elects Guillet

Western Massachusetts Field Club elected Maurice E. Guillet of Aetna Casualty president at the annual meeting in Springfield. He succeeds Peter J. Coyne of London & Lanca-

Other officers named are Russell H. Moore, Royal-Globe, vice-president; Edward J. Kiley Jr., Loyalty, secre-tary, and Arthur Cole, Commercial

Union, treasurer.

E. Stuart Giles, retiring assistant manager of New England Fire Insurance Rating Assn., was guest of honorand and was voted an honorary member with a gift

Name Boyd At Grand Rapids
William J. Boyd has been named field representative for Grand Rapids by Standard Accident. He entered in-

Zurich Names Elletson As Special At Grand Rapids

Zurich has transferred Richard M.
Elletson to Grand Rapids as fire special agent to assist manager R. N.
Reinking Is Ind. Special Amluxen.

Mr. Elletson joined Zurich in De-troit as a fire and marine underwriter later becoming special agent there. Before that he was a fire and marine underwriter with Standard Accident and Planet.

Central Mutual Names Two In N. C., Cal. Fields

Central Mutual of Van Wert has appointed Ronald W. Blackburn spe-cial agent in North Carolina and J. Driscoll special agent in northern California, Mr. Blackburn has been taking a home office training course for the past two years. Mr. Driscoll has been in the business for 27 years in both home office and field work, and as a local agent.

Field Men Change Name

Nebraska Fire Underwriters Assn. has voted to change its name to Ne-braska Capital Stock Insurance Assn.

stock insurance companies are now writing to a degree both fire and casualty. Various other states are either in the process or have already made a like name change.

Robert E. Aurelius, St. Paul F.&M., has been elected guardian and William F. Bruenger, Indiana Rating Bureau, wielder of the Indiana pond at a recent meeting in Indianapolis. Mr. Au-relius, who was formerly wielder, was moved up to fill the vacancy created by the resignation of Glenn Gleason.

Jep Cadou Jr., sports editor of the Indianapolis *Star*, spoke to the field men on "Sports in 1958."

North British Appoints Jones Ill. State Agent

North British has appointed Thomas C. Jones state agent in central Illi-nois. He will make his headquarters in the Reisch building, Springfield.
The office at Peoria is being discontinued. Mr. Jones has been with
the group for the past 12 years as an underwriter and field man.

American Surety has named William G. Miller special agent at Cleveland. He joined the company as a claim representative at the Akron claim office in 1953 and was subsequently promoted to manager there. He transferred to Cleveland and entered the company's special agent training program last year.

American Surety Names Special Agent In Neb.

American Surety has appointed John P. Leitel special agent in Omaha. He joined the company last April as a special agent trainee.

field representative for Grand Rapids by Standard Accident. He entered in-surance in 1953 at Detroit with Great American and is joining Standard Ac-cident after working in the fire and marine department of General Acci-

Fireman's Fund has appointed Herbert F. W. Reinking as special agent to handle fidelity, surety and burglary in the Indianapolis office territory. For the past three years, he had been with another bonding com-

Dowler To West Ill. Field

Harry Dowler has joined Cornbelt Ins. Co. as fieldman for western Illi-nois and will make his headquarters at Springfield. He has been in the Illinois field for Economy Fire & Casualty for the past 13 years.

Bahret To Missouri Field

Carl J. Bahret has been named special agent for Missouri by Great American group. He will work with Spe-cial Agent L. P. Cellitti in the farm and hail department at Kansas City.

Nelson To Denver, McNabb To Eastern Va. For St. Paul F.&M.

It is felt that the new name is more identifying and descriptive of present H. Nelson, special agent of fidelity day operations, since most capital and surety department at the home

office, to Denver where he will occupy a similar position. In another appointment, Gordon McNabb has been named special agent in the eastern Virginia field where he will assist State Agent W. Andrew Sale at Richmond.

Ostrum State Agent In Wis. For Corroon & Reynolds

Corroon & Reynolds has appointed Melvin Ostrum state agent in Wis-consin to succeed the late J. A. Fleckenstein. He will supervise the entire state from headquarters at Milwaukee. He has traveled the territory as assistant to Mr. Fleckenstein for the past 10 years.

R. I. Field Men Elect

Rhode Island Insurance Fieldmen's Assn. has elected William W. Worthley of Aetna Fire president, Walter T. Matthews of Hartford Fire vice-president, Richard A. Soderberg of Providence Washington secretary, and Robert S. Plumb of Home treasurer.

Bergquist To Central III. Field

Vincent D. Bergquist of Morris, Ill., has been appointed field supervisor for central Illinois by Employers Mutual folk, Neb.

Casualty. He has been in the fire and casualty business 14 years, serving as a field man for nine years.

Atlantic Mutual Names Anderson State Agent

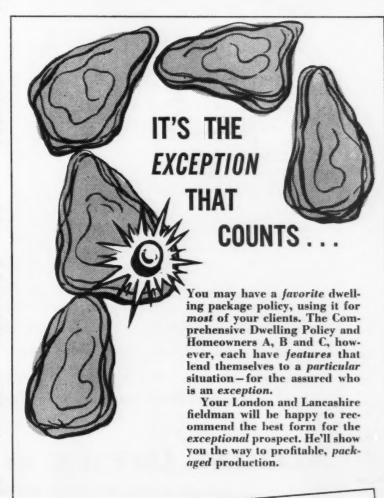
Atlantic Mutual has appointed Robert C. Anderson state agent for fire and marine lines in Louisiana, Mississippi, and Mobile, Ala. He will make his headquarters in New Or-

Terry Is Ind. Special

William J. Terry has been appointed special agent for Indiana, replacing Frank Wolck who has been transferred by Great American. Mr. Terry will work with Manager Robert Hughes and Special Agents Dan Hoge and Omer Tomlinson out of Indianapolis.

Fletcher Named In Neb.

Zurich has appointed Fred A. Fletcher state agent for Nebraska. He was special and state agent in Nebraska for National Union from 1941 to 1953, and for the past four years has been with a local agency in Norfell Neb





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Travelers Indemnity Names L. W. Hannum, Makes Field Changes

Lewis W. Hannum has been appointed an assistant secretary in the fire and marine underwriting department of Travelers Indemnity, and in the southern department of Charter Oak Fire. He has been with Travelers since 1936. He was named assistant chief underwriter in 1937 and chief underwriter in 1947. Prior to

donian.

Travelers Indemnity also has made of appointments and number changes in its casualty, fidelity and surety, and fire and marine field force.

Appointed to casualty, fidelity and surety field supervisor are Charles R. Cade, San Francisco; George H. Fleming, Seattle; Stephen R. Coffey, Baltimore, and Paul E. Jensen, Hartford. James P. Lawless has been named fi-delity and surety field supervisor at Cleveland, and William P. O'Toole fire

joining Travelers, he was with Cale- and marine field supervisor at Pitts- Md. Casualty Opens burgh.

Harry B. Stringer, assistant manager of casualty, fidelity and surety at Los Angeles, has been transferred to Beverly Hills, Cal., and Edward C. Rinck II, assistant manager of those lines there, to Los Angeles.

Morgan W. Wood, assistant manager, and George Haegele, field supervisor of casualty, fidelity and surety at Camden, will also handle fire and marine, and Thomas C. Thompson Jr., field supervisor of fire and marine, casualty, fidelity and surety there.

Branch In Phoenix, Hallisev Heads Staff

Maryland Casualty has opened a branch in Phoenix and appointed Raymond S. Hallisey manager. Louis V. Rhue Jr. has been named claim manager, Phillip H. Chambers casualty manager, and S. G. Heflin Jr. bond manager.

Mr. Hallisey formerly was casualty manager at Memphis. Prior to being named to that position in 1955, he was at Boston, where he successively served as special agent, automobile manager, and assistant casualty man-

Mr. Rhue has been Phoenix claim manager. Mr. Chambers formerly was assistant casualty manager at Los Angeles. Mr. Heflin was in the San Francisco office.

Westchester County, N. Y., Agents Hear Traynor, North British Ad Director

William J. Traynor, assistant secretary and advertising director of North British, was speaker at the January dinner meeting of Westchester County (N.Y.) Assn. of Insurance Agents in White Plains. He discussed current in White Plains. He discussed current advertising programs and trends, including the proposed nationwide NAIA advertising program, and indicated ways and means for agents, tying in with the program and for integrating their own agency advertising on specific coverages and services at the local level. ices at the local level.

President Robert Thornton of White Plains presided. The meeting was preceded by an executive committee session. K. L. Metz of Scarsdale was pro-

Cal. Dept. To Hold Hearings on WC Proposals

Commissioner McConnell of Cali-fornia has called for public hearings on several proposed changes in the classi-fications and rates for workmen's compensation proposed by California Inspection Rating Bureau. The first hearing will be held in San Francisco, Feb. 24, and a second one at Los Angeles, Feb. 26. The bureau requested approval for changes retroactive to Cotcher.

The proposals are for amendment of the schedule rating plan to increase eligibility standards, to change the rules for frequency of bureau inspections, to change provisions relating to safety organizations and first aid dispensary credits, to provide credit for employing a safety engineer, to modify mechanical guarding provisions by eliminating consideration of elevators eliminating consideration of elevators and power transmission as rating factors and by making more stringent the machine guarding standards; for editorial amendment of the chemical and dyestuff rating plan; and for editorial amendment of the pneumonoconiosis schedule rating plan.

N. H. Fire Employes Group Elects Officers

The Profile Club, employe organization of New Hampshire Fire, has elected Harris L. Bowie president, Maurice D. Goodwin vice-president, Romeo J. Rejimbal secretary, and Verne J. Burton treasurer.

Clayton Prescott, who has retired from the company after 48 years of service, was honored at the January meeting.

Roland Jens has taken over the local agency formerly operated by A. J. Schwark at Plymouth, Wis., and will operate it under his own name.



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Insurers Sue U.S. On \$53,590 Barge Loss

Five insurers have filed suit against the United States in federal district court at Nashville asking \$53,590 for damages to a barge which sank in the Cumberland river near Cheatham dam two years ago.

The companies contend that the dam operators, employes of U.S. Corps of Engineers, opened the dam gates be-fore the barge was safely moored, which caused it to crash into the face of the dam and sink with a cargo of

903,300 pounds of Portland cement. Four of the companies, American Home, Birmingham Fire, New Hamp-shire and Netherlands, had the hull policy on the barge and paid \$42,985 to Merritt-Chapman & Scott, the owners. Home insured the cargo and a bulldozer which was also wrecked in the accident. It paid \$7,320 on the cement and \$3,285 for the bulldozer.

Deutsch, Kerrigan & Stiles of New Orleans and Carmack Cochran of Nashville are attorneys for the com-

North British Branch **Heads Hold Roundup**

North British last week held a branch managers conference in the board room at the head office in New York. W. L. Nolen, U. S. manager, and H. P. Linn, assistant U. S. manager, led a discussion of branch office operations. Branch managers C. J. Williams of the southern, E. H. Miller of Philadelphia, Willis Ludemann of Michigan-Ohio, C. L. Day of midwest, H. J. Hudson of western and F. E. Wickard of the Pacific department attended. The latter substituted for S. T. Shotwell, who could not attend due to illness. The executive staff and home office department heads also were pre-

Ruling Of Miss. Supreme Court Widens WC Scope

A Mississippi supreme court deci-A Mississippi supreme court decision holds that rehabilitation of disabled persons under workmen's compensation is just as important as the prevention and cure of injuries. The conviction is gradually gaining ground, the court ruled, that the compensation job is not done when the immediate wound has been dressed and healed. There remains the task of restoring the man to the maximum usefulness that he can attain under his physical impairment. The court held that the WC law did not contemplate that the treatment required to be furnished by treatment required to be furnished by the employer should be so incomplete as to subject the employe to harmful

N.Y.C. Agents Elect

William S. Hanssler has been elected president of New York City Insurance Agents Assn., succeeding William W. Waters of Hall & Henshaw. Stephen Amann, Hall & Henshaw, was elected vice-president, and Julius Ullman, president of W. L. Perrin & Son, chairman of the executive committee. Harry F. Legg continues as executive secretary-treasurer.

Milwaukee Agency Names Baker

Carter A. Baker has been elected vice-president of Leedom, O'Connor & Noyes Co., Milwaukee agency. Mr. Baker succeeds J. L. Ashton who retired recently. A. J. O'Connor has assumed duties as treasurer in addition to his post as chairman; Charles H. Tasker has been named assistant treasurer as well as assistant secretary. John A. O'Connor continues as president and Robert M. Freer as secretary.

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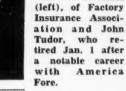
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Photographic Highlights Of Annual Gathering Of Chicago Buckeye Club

The photographs on this page were taken by a staff member of THE NATIONAL UNDERWRITER at the annual meeting of Chicago Buckeye Club, an organization of former Ohioans who have found haven in Chicago. About 100 insurance men in the Chicago area belong to the Buckeye Club, and more than half attend the annual meetings, an unusually high percentage for any organization. Details of the 1958 meeting were reported last week.

Harold L. Bredberg, president of Bredberg Reports, with John S. Warren. Chicago manager of General Accident, Douglas F. Best, superintendent of audits of Illinois Inspection Bureau.





Donald J. Neal

(center), assistant

manager of Atlas

and new president

of Chicago Buck-

eye Club, pictured

at the Buckeyes'

annual meeting with W. T. Ames

Hold Open House In May Gov. Harriman has designated May 4-10 the period during which, for the second time in New York history, all state departments, bureaus, and agencies will hold open house for the pub-lic. The insurance department has arranged for its New York City and Albany offices to be open May 5-9 to visitors. Guided tours will be ar-

N. Y. Department Will

ranged. The state government-wide open house will mark the 75th anniversary of New York state civil service.

120 Set For N. J. Cruise New Jersey Assn. of Insurance Agents has 120 reservations for its 65th anniversary cruise to Bermuda aboard the Queen of Bermuda April 12-19. There will be several business meetings aboard the ship, but the greater part of the time will be devoted to placesure. voted to pleasure.



Dale Stentz, Western Adjustment, and C. N. Mullican, Firemen's Fund. Mr. Stentz is the secretary-treasurer of the Buckeye organization and is shown at work preparing reports and guarding the funds, overseen by the outgoing president, Mr. Mullican.



Superintendent Arthur Vorys of Ohio (center) (center) flanked by his es. corts, Joseph Schweer (left) secretary-manager of Cincinnati Underwriters and Louis ming, past presi-dent of the Cincinnati association Mr. Vorys gave the principal talk at the dinner.





E. F. Gallagher, Chicago manager of Planet, a past president of the Buckeyes and the speaker who will address the Feb. 11 all-industry luncheon of the CPCUs at Minneapolis, pictured at the Buckeye Club meeting with Walter L. Sundstrom, Factory Insurance Association, a non-Buckeye but even so the author of the official Buckeye Club poem, with Levering Cartwright, president of Cartwright, Valleau & Co. securities firm, and John W. Waddell of Factory Association at Cleveland, a consistent visitor of the Buckeye meetings.

Two past presidents of the Buckeye Club, V. L. Montgomery, Ins. Co. of ant manager of Hartford Fire, showing North America, and T. J. Ocasek, a picture of his new house in Florida to Rollins Burdick Hunter.



E. S. Purcell (seated), retired assista picture of his new house in Florida to John Ehrlich of Aetna Fire.

California Assn. Lists Spring Meetings Schedule

California Assn. of Insurance Agents has scheduled the following spring meetings. (Where two locations are listed on the same date, the first named will be at noon, the second a dinner meeting. Where one is listed, it will be at neon) it will be at noon.)

Northern California, Secretary-treas-

Northern California, Secretary-treasurer Milton R. Cheverton as principal speaker: Feb. 3—Marysville, Auburn; Feb. 4—Sacramento, Chico; Feb. 5—Petaluma; Feb. 6—Oakland, Redwood City; Feb. 7—Richmond, Niles.

Central California, President Roger Chickering as speaker: Feb. 3—Bakersfield, Visalia; Feb. 4—Fresno, Merced; Feb. 5—Modesto; Feb. 6—San Jose, Aptos; Feb. 7—Monterey.

Southern California, Vice-president William J. Hobin as speaker: Feb. 3—Santa Barbara, Vellflower; Feb. 4—Los Angeles, Beverly Hills; Feb. 5—San Fernando Valley, Fontana; Feb. 6—Arcadia, San Diego; Feb. 7—El Centro.

Compulsory Bill In N. J.

A compulsory auto bill has been introduced in the New Jersey legislature by Sen. Crane, Republican of Union county. Termed an equal responsibility bill, it would amend the existing security responsibility and unsat-isfied judgment fund laws to provide that the state would not license a mo-tor vehicle unless it is covered by li-ability insurance, bond, or the owner is recognized as self-insured.

N. C. Fire Bureau Appeals Ruling

North Carolina Fire Insurance Rat-ing Bureau has appealed to the Wake county superior court a ruling by Commissioner Gold that fire insurers writing business in the state must collect and account for the additional 1% tax on gross premiums levied against them to support the new state fire-men's pension fund.

The bureau contends the firemen's pension fund act is unconstitutional, and is reported to have made this legal move in an attempt to obtain a state supreme court ruling in this regard.

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Sees Need For Agent Underwriting, Trust By Companies In It

February 7, 1958

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Robert H. Gipson, local agent of Bloomington, Ill., writes, anent the editorial "Some Underwriting By Agent Essential," in the Jan. 3 issue:

In my opinion, the companies are not going to improve their loss ratios until they have confidence in their agency plant to help them underwrite their business. All companies, with a few exceptions, think their under-writer, sitting 1,000 miles away at his desk, can tell whether or not the business submitted from Bloomington, Ill., is good, average, or unacceptable. It is an impossibility because a good agent knows so much more about the acceptability of a risk, and he is the only underwriter on the ground. You will always find some agencies submitting business on a "take-it-or-leave-it" basis, but they wouldn't do this if their companies would discuss this underwriting picture with them and express to the agents that they have confidence in their thinking and expect them to share the responsibility of the company's underwriting. Also, as you mentioned, the majority of good agents take pride in writing profitable busi-

Why Appoint "Sidewalk Broker"?

Then, why do the companies appoint anyone who will give them \$100 a year in premiums? No one seems to have the answer to this. To top it all off, this "sidewalk broker" usually gets the same commission as the professional agent and, in the majority of cases, the company even writes the policies for him. At present the business is in a state of chaos and the companies are suddenly cognizant of this fact—only because their investment portfolio isn't what it used to be. Therefore, they feel they can sit in their home office and decide that this line is one they don't want or on another line they will cut down their capacity—while not giving any thought to the territory, experience in that section of the country, loss ratio of the agent, or whether a particular risk is the best or worst of its type.

Not Sound Reasoning

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ctory

There just isn't any sound reasoning to this type of thinking, but this is American Marine Forum what happens when your top company men and underwriters become panicky. They start discussing cutting agents' commissions on certain lines because we get more than the direct writer. The difference is usually around 10% and on, say an average of \$100 premium, this amounts to only \$10. Now, how many good agents lose business on a \$10 to \$15 differential? It is on the \$40 to \$60 difference on a \$100-150 auto premium that the direct writer makes headway. And, since only a small portion of this is the difference in commission, then there must be something that can be done in the companies' office procedure to eliminate the extra expense that seems to be prevalent.

The points of your editorial were so realistic and, even though discussed frequently by many agents, the points seem to be by-passed in the thinking of the majority of top company men.

G. F. Nickerson, formerly a field man for Providence Washington, has purchased the Oak Lodge agency in Oak Grove, Ore., from M. Homer Reeves who has retired at 78 after 54 years in the business.

St. Louis Board Installs Officers

New officers and executive committee members of Insurance Board of St. Louis were installed by Superintendent Leggett at the annual dinner-dance recently. Officers for 1958 are William R. Dunham, chairman; John Broadhead Jr., president; Charles W DeWitt, vice-president; Harry Bishop, secretary; and James O. Holton Jr., treasurer. Board members elected for 3-year terms are Richard E. Haefer, Edwin H. Bacon, and Milton H. John-

Burnham General Agency Is Name McDonald At L. A. Burnham, Luck & Hughes

W. L. Burnham general agency of Birmingham has become Burnham, Luck & Hughes, managing general agency. The firm was established in 1945 by W. L. Burnham and became a partnership in 1953 when King G. Luck was made a partner. Last No-vember William K. Hughes joined the

Mr. Burnham began his career in 1919 with Mississippi Rating Bureau and in 1926 joined St. Paul F. & M. He remained with that group until 1945, being state agent in Alabama when he left the start his general agency. Me left to start his general agency. Mr. Luck entered the business with Fidelity & Casualty in 1947 at Atlanta. In 1952 he joined the Burnham organization to manage the casualty operations. Mr. Hughes has had 17 years of insurance experience. He had been with Bankers F. & M. and was vice-president and secretary when he resigned to join the Burnham agency.

Mr. Luck is president of Alabama Assn. of Managing General Agents. Mr. Hughes is past MLG of the Ala-bama Blue Goose. Mr. Burnham is past MLG of the Mississippi pond.

Mr. Burnham is president and treas-urer of the new corporation and conurer of the new corporation and continues as manager of the entire operation. Mr. Luck and Mr. Hughes are vice-presidents. Mr. Luck will devote himself primarily to casualty underwriting, and Mr. Hughes will handle production and field supervision, Claims operations will continue under Mr. Burnham's direction. Contract companies are American Union, Anchor Casualty, Carolina Casualty, Employers Casualty, Queen City, Seaboard Surety, Southern National, St. Paul F.&M. (reinsurance) and Union Re.

Elects Haynes President

American Marine Insurance Forum, composed of marine managers and underwriters in New York, has elected Alfred D. Haynes Jr., associate manager of the Hartford Fire ocean marine department there, president; William J. Maloy Jr., Bertschmann & Maloy, Switzerland General attorney-in-fact, vice-president; John R. Walbridge, North America, treasurer, and Thomas E. MacCormack, Fireman's Fund, secretary.

Michigan Mutual Windstorm To Become Hastings Mutual

Michigan Mutual Windstorm of Hastings voted at the annual meeting Hastings voted at the annual meeting to amend its charter to bring it under the general mutual law rather than limiting powers to windstorm coverage. The name also will be changed to Hastings Mutual when the proposed charter change becomes effective, anticipated about Jan. 1, 1959.

The company now has 103,857 policyholders with assets of \$5,421,031, with a surplus over liabilities of \$4,-013,244. Insurance business was \$1,-048,731,157 at the end of 1957, an increase of \$28,623,846 during the year.

Losses amounted to \$458,238, compared with \$2,210,389 in 1956.

Kratz, Burke Named By Fidelity & Deposit

Fidelity & Deposit has elected John Profit Of \$1,927,181 E. Kratz of the home office judicial department an assistant secretary, and advanced Special Agent Joseph L. Burke to assistant manager at Chi-

Mr. Kratz joined the company in the home office contract department in 1926, and the year following was transferred to Washington, D. C. He returned to the home office in 1928, and has been a judicial bond underwriter since then.

Standard Accident has named Vernon C. McDonald manager, claim department, southern California office. Mr. McDonald started in the business in 1945 with the Cass & Johansing general

agency in Los Angeles.

He joined Standard Accident as assistant manager of the southern California claim department when the company opened the Los Angeles of-fice in 1957.

Hartford Steam Boiler Has 1957 Underwriting

Hartford Steam Boiler had an un-derwriting profit of \$1,927,181 on 1957 operations, and its surplus at year-end was \$23,992,236, up \$348,097.

Net premiums written reached a new high of \$22,392,986, up \$3,150,639 over 1956, and \$1,746,641 over the previous high, in 1954

Earned premiums also reached a new high of \$20,112,077, topping the previous record, set in 1956 by \$845,-

Incurred losses declined \$200,324 to \$5,302,325. Underwriting expenses, including losses, were \$18,184,895.

Net income was \$2,164,832.

Albert T. Codier has been appointed special agent in the Pittsburgh area for Nationwide Mutual. He was an agent of Nationwide Mutual from 1947 to 1955, and then for two years operated his own general agency.





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- Insurance adequate to meet every state's financial responsibility laws so that you can be worry-free wherever you travel in the U.S.
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Check the coverage and the cost of your present automobile insurance against the advantages and savings you get through Centennial's "TOP" Family Car Policy. Then profit by the expert, impartial advice of your local independent insurance agent. Ask him today about "TOP"—the Car Insurance of the Future.

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(CONTINUED FROM PAGE 1)

a federal agency has the airlines reatic losses of the insurers is small in ceding year's results. comparison with these two examples from other fields, and small in comwhich insurers can get the kind of

rate increases their experience shows those in the business who believe the ceived wide public attention. But the they have to have. That climate can

parison with the need. That need is own weight—the giant losses in uncan be worked out which will put the for a climate of public opinion in derwriting, surplus and assets—but results in better and more realistic what about the future? There are

pattern of presenting figures should amount of information getting to the be created only with information, and be reversed. In the past most compa-public on the spectacular and dram- one form of information is the pre- nies have featured those items which had the plus sign in front of them and The gruesome details of how the have played down or not even business fared in 1957 will carry their shown the minus items. If a pattern perspective, at least managements will

avoid the embarrassment of all at once, after years of reporting pluses, of having practically nothing but minuses to talk about.

The order of presentation is important. Consistently putting the big dollar first has so impressed even bankers serving as insurance company directors that they show little sympathy when an executive attempts to point out how poorly his company did with the insurance operation-and demonstrate downright disbelief when the executive goes on to suggest that there be rate increases.

Underwriting Results First

There is a strong current of opinion that companies ought always to talk first about their insurance operation, about underwriting results.

These reflect those effects of the insurance function which subsequently are expressed in rate revisions (and perhaps form revisions as well). Consequently, their emphasis would give the public an inkling, in advance, of the conditions that prevail in insurance, and to that extent better prepare them for what is to come.

To adjust the effect of rising or declining premiums and thus offset the artificial influence of the rise and fall of unearned premium reserves, some companies apply their expense ratio to the increase or decrease in un-earned premium reserves and then add or subtract from the underwriting gain or lose to get a more realistic operating result. If premiums are going up; it is added to underwriting profit; if premiums are going down, it is substracted.

Loss Ratios Before Investment Gains

Presenting the earned premium loss ratio, the written premium expense ratio, the combination to give the operating result, the change in policyholders surplus, and the premiums, before taking up the banking opera-tion—investment income, dividends, asset change, etc.—would give stockholders, policyholders, agents and the public generally the clearest and most balanced view of an insurer's operations and problems.

Certainly to emphasize assets, which many companies do year after year, is as if an industrial concern were to stress to its stockholders, the finan-cial world, and the public its investments in manufacturing plant capacity. Of course, in the days before 1957, an insurer had to work hard not to show an increase in assets. For one of the few 12-month periods in the history of the business, 1957, many insurers will report asset declines.

Policyholders surplus is also an item that bears importantly on the insur-

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Hartford Fire Adds To New Tex. Office

Three home office staff members of Hartford Fire are being promoted and transferred to the group's new south-western unit at Dallas. James B. Wood-ward, promoted to accountant, and Edward V. Bakanas, promoted to statistican, reported to Dallas Feb. 1.
Bohdan Stelmach, named assistant statistician, will transfer March 1 when the group's integrated headquarters opens in the First National Motor

Bank building, Dallas.
Francis P. Vendetta replaces Mr.
Woodward as assistant superintendent of the Hartford Fire's home office agency accounts department.

Mr. Woodward joined Hartford Fire in 1948. He is a past president of the Hartford Fire Group Men's Club. Mr. Bakanas has been a member of the statistical department staff since he joined Hartford Fire five years ago. Mr. Stelmach went with Hartford Accident in September, 1956. Mr. Vendetta has been with Hartford Fire 10 years.

ance function since it represents the insurer's capacity to undertake risk. In 1957 the total for all insurers shrank mightily, and all of the insurance business's publics, from agents to the automobile insured who has been cancelled, might understand a little better the necessities of tight underwriting if the shrinkage in surplus were emphasized.

Taxes Affect Results

The question also arises as to whether figures should be given be-fore federal income tax. It hardly seems realistic to discuss results of an insurer until the federal tax has been computed and subtracted—or, in the case of refunds, added—to the score. The result is not a result until everything has been done to modify it that is going to be done to modify it. In 1957 there were tax refunds from 1956 operations; there will be tax refunds in 1958 on 1957 operations. Until this computation is made, any figures influenced by the tax situation will be meaningless, to that extent.

The insurers take pride in pointing to the rise in premiums written, if there is one, and it is true that this figure represents the sales results of the companies. Certainly it tells the insurance world and the lay public how the company's sales compare with those of other insurers. This is important as indicating the competitive position of the company.

Premiums Don't Reflect Profits

But whereas in most enterprises the sales figure is a fairly accurate index of profits—at least it has some relation to profits-in insurance this is by no means certain. At one time or another, and especially today, an increase in premiums may only guarantee that the company will lose money. An insurer that does poorly in the

"sale" of a line-auto liability, saymay be able to profit more, at least for the moment.

Thus increases in premiums tend to mislead the public into confusing them with profits. The effort should be made to let the public know a dol-lar of sale seldom equals five cents of profit, and often may equal four cents of loss for sure. Insurance cannot simply be sold, as can life insurance, steel, cigarettes, appliances, lumber, etc. It has to be sold selectively. In recent months it has not been sold at all—insurers have been struggling to keep from "selling" and to "unsell" personal inland marine lines, auto liability, burglary in poorer sections,

Consequently, while the premium figure is important, inside and outside the business, to make it more prominent than, say, the underwriting outcome builds up the big dollar, the well-off appearance of the insurers.

Investments To Offset Losses?

The old issue of whether investment income should be used to offset underwriting losses is being raised again as losses rise and insurers have to ask for rate increases. The force of this argument always dissipates on the old and ugly fact that if investment earnings are used, then investment losses must be considered in rate making, and no commissioner has had the temerity to suggest that the latter would be tolerated by the public.

However, since the issue has been raised, and since the over-all monetary condition of the insurers is being used to shoulder aside rate increases or to truncate them, it should be pointed out that the growth of the insurers in the past 10 to 12 years, as set out by the New York department at its auto rate hearing, has not kept pace with the economy. The liabilities of the insurers are greater today, the payments are greater, and the ability of the insurers to pay has to be great-

Must Grow With Economy

Actually, the growth of the companies has to keep in relation to the economy (and the needs of the economy for insurance) or more American insured will have to go abroad to be accommodated. More American insured have gone abroad in the last 10 years than ever before, and they have purchased more insurance abroad then ever before.

Thus the insurers have not done well enough financially to keep even with the economy, and 1957 results will set them back sharply. The New York department, which has indicated that the insurers have done well since 1947-49, has a rule of thumb (to which there are, admittedly, many exceptions) that a casualty insurer can write only \$2 of premium for each \$1 of policyholders surplus and that a fire insurer can undertake only \$1 of unearned premium for each \$1 of policyholders surplus. With the loss of

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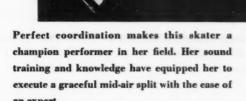
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more than \$1 billion in policyholders surplus in 1957, the insurers under this rule are unable to write as much business in 1958 as they did in 1957. For the casualty companies writing in New York, the ratio was \$1.90 per \$1 of surplus in the first nine months. This compares with \$1.60 per \$1 of surplus in 1956, and is the highest in many years.

The implication of the New York department showing, and of the actions of some of the other departments, is that the companies are solvent enough to stand the losses they are undergoing. This is like saying that an industrial concern, say Standard Oil, if it were rate regulated, could not increase the price of gasoline half a cent to take care of increased costs because it has \$1.2 billion invested in production plants.

The financial resources of the insurers constitute their "plant," their manufacturing facilities. What is being suggested here is that the insurers can cash in some of their capacity to get money with which to pay loss-

To spend the body and bones of the

business to avoid imposing a rate increase on those who have earned one is "profit taking." Or, more properly, it resembles partial liquidation, which, if indulged in long enough, will shrivel the American insurance market, already stunted to a size too small to take care of the demands of the American economy for protection, to the point where it will be inadequate even to pretend to do the job of insuring American business, industry, and individuals

Must Write More To Stay Even

To accommodate the shrinkage in the real value of the dollar from 1918 1958, an insurer that wrote \$10 million in premiums in 1918 has to write \$30 million in 1958—and has to have the increased financial resources to do so. This allows nothing in that time span for increases in the real productive capacity of the country, the rise in population, the greater complexity of legal and social rela-tionships, the inflation of awards, the extension of the indemnification for hurt as a social principle without regard to negligence, etc.

The annual results of a company N.Y. Brokers Hear constitute the score made by management compared with the managements of other insurers. The annual report to stockholders is perhaps the most important single item of the year for top management. It is a report on the stewardship of the officers and directors of the company. But 1957-and to a lesser extent 1956 1955—have demonstrated that and this stewardship is industry wide and runs also to the public, and that reality is essential.

Insurers—and their managements -are, to be sure, husbandmen of resources. But those resources only serve to enable insurers to perform their primary function, insuring the risks of the country, which is absolutely essential to the economy. If the insurers are not doing well at insuring, and in growing to insure more as there is more to insure, it seems wise to communicate with the public about it as often and in as many ways as

Says Bankers Erred In Recommending Banks Continue To Be Agents

WASHINGTON—Rep. Patman of Texas, chairman of the congressional joint economic committee, has charged that a private bankers' advisory com-mittee made serious misrepresentations in recommending that national banks in cities of 5,000 or less popu-lation be permitted to continue to act as insurance agents and brokers. He has brought to the attention of the House banking committee that this permission was repealed in 1918.

Representatives of the bankers' advisory committee expressed surprise at Mr. Patman's charge—which they did not contradict, but that govern-ment officials had taken the position that the permission was still in effect.

Introduce UJF, Other Driver FR Bills In Va.

A bill which would create an un-satisfied judgment fund in Virginia has been introduced in the lower house of the legislature there. The measure is one of three proposals introduced as solutions to the problem of financially irresponsible drivers. The other two bills would require proof of financial responsibility or security as a condition of buying auto license tags, and make mandatory the inclusion of the uninsured motorist endorsement in all standard auto li-

ability policies written in Virginia.

Also before the Virginia legislature is a measure which would create an auto liability reinsurance pool to insure motorists who might be denied coverage by individual insurers.

W. Colorado Insurors Meet

Western Colorado Insurors heard John Kreidler, Montrose, Colo., at-torney speak on adjusting losses cas-ualtywise at the January meeting. He John Kreidler, Montrose, detailed the guest statute and safety responsibility law and advised the agents to impress on their clients to plead not guilty regardless of circumstances, in order to protect their right of appeal.

The major item of business was discussion of national banks being permitted to write insurance in towns of over 5,000 in population. The next meeting will be in Grand Junction meeting Feb. 18.

Heads Houston Mutual Agents

Joseph Reiss has been elected president of Houston Assn. of Mutual Insurance Agents. Other officers elected are Kenneth Smith and Herman vice-presidents; Craig Heath, secretary-treasurer; and Rob-ert Epstein and William Wantloeben, directors.

Talk On Merits Of Tenants' Coverages

Greater New York Insurance Brokers Assn. heard Alfred I. Jaffe, vicepresident of the Jaffe agency of New York, discuss tenants' policies at the January meeting.

"The sales potential for tenants' policies may be estimated to be as much as 50% or more of the two million family units making up the tenant market in New York City," he said

Mr. Jaffe discussed the complete insurance situation for tenants, including available package policies, and listed the types of individual coverages available to tenants as fire, fire and EC, extra expense, theft from premises, theft away from premises, personal property floater, personal articles, and liability.

Tenants Face More Theft Losses

Speaking about the importance of theft from premises coverage, he said that tenants in apartments are much more subject to loss than homeowners. There are extra keys around, particularly in the newer buildings, selfservice elevators, and a general lack of supervision in most buildings that allows anyone to enter the buildings and roam the halls at will. He pointed out that in Manhattan practically no neighbor is more than a five minute walk from a slum or breeding place of criminals.

Theft away from premises he thought less important. The coverage is expensive, he said, and if people are careful and insure valuable items under personal article coverage, theft away from premises coverage usually can be dispensed with as a calculated risk.

PPF Broadest Coverage Available

He described the personal property floater as the broadest coverage available, but said that because of its high cost it is suitable for only a small fraction of all tenants. "Actually there is a maximum of 30,000 PPF's in force in Manhattan," he said, "which is under 5% of the total possible." In other boroughs it runs about 1.5%, he said.

In the case of liability, he said, tenants have all the personal exposure that owners do, plus one otherfire legal. This is a scarcely purchased cover for tenants, except as part of package policies, he said, and yet there are too many personal exposures today, and too many high judgments for it to be overlooked. Extra expense coverage also is very important and the cost very small, he said.

CDP Better For Tenants

Discussing the package policies, HOB and CDP, he noted that coverages were much broader under them and the costs were only slightly more than individual policies with just bare minimum of protection. The CDP is more suitable for the great majority of tenants than is the HOB he said, since the latter includes offpremises theft coverage, with its attendant higher cost factor built in.

Any tenant who can afford to buy theft insurance of some kind should have a package instead of individual policies, he said. It gives them, among others, broad form 849 perils, comprehensive personal liability, and extra expense coverages, all of which are vital, and all of which are rarely carried on an individual basis.





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Ininsured Motorist Studied By Michigan House, Commission

LANSING-Gov. Williams recently got an official report of disagreement from his commission studying remedies for the uninsured motorist problem, while at almost the same time the first bill of the current legislative session to create an unsatisfied judgment fund made its appearance in the Michigan

The 21-member commission studying compulsory auto and other alternatives to protect motorists from the uninsured driver split three ways on possible solutions. Nine members backed both compulsory liability coverage and an unsatisfied judgment fund (the latter financed by a \$2 extra license plate charge), coupled with an assigned risk plan to force insurers to accept substandard risk motorists. Six members favored an unsatisfied judgment fund only, proposing an extra \$1.50 annual charge for uninsured motorists and \$10 for those unable to file an insurance affidavit when buying license plates. Six other members urged merely strengthening the exist-ing financial responsibility act and stronger enforcement, pointing out that "the people of Michigan now have available all necessary protection against financial loss caused by unin-sured motorists" in the form of the low-cost rider available for auto poli-

Blondy Bill Assesses 25 Cents

The proposed remedial bill was introduced by Sen. Charles Blondy, Detroit. The measure (Sen. 1078) would make a much more modest charge, 25¢ on each driver's and chauffeur's li-cense, to create a fund from which victims of unsatisfied judgments could collect up to \$1,000 for each death or property damage case with a limit of

\$2,000 in event of two or more deaths. The bill was referred to the judiciary committee. Sen. Blondy sponsored a similar measure last year that failed to clear the committee.

Allston Associates Opens N. C. Branch, Depew Is Named Head

Allston Associates, New York advertising firm, and since 1941 specialists in insurance advertising and publicity, has opened an affiliate agency in Charlotte, N. C. The new office will be conducted by Dorr Depew, a vicepresident of Allston Associates. He formerly was advertising promotion manager of the Charlotte Observer from 1939 to 1946.

The Charlotte agency will maintain a complete advertising service and combine the service to clients in the southeast with the contacts and facilities of a national advertising agency.

Allstate Enters Fire, PL Fields In Canada

Allstate has entered the residential fire and personal liability fields in Canada with the introduction of the Canadian home protector policy in British Columbia.

Sales in Alberta will begin Feb. 15, with immediate plans to offer it in Manitoba and Ontario and later plans to expand it to other provinces.

Major coverages of the policy include fire and broad form extended coverage. The policy also provides optional theft coverage and an optional on home and family liability protection, which covers accidents to others on the insured premises.

Northern States agency of St. Paul has moved to 2292 University avenue, taking over a building it purchased from Consumers Mutual.

I. B. Cullison, Hail Insurance Leader, Dies

(CONTINUED FROM PAGE 21)

like basis. He made the first presen- Adjustment and was chairman of that that time western manager of North America, and convinced him of the soundness of the scheme. The propo-sition was repeated to Ralph Ives, then vice-president and western manager of Aetna Fire, and John Harding, than assistant manager of Springfield F.&M. These men agreed, and their companies have since 1919 constituted Rain & Hail Bureau. The bureau started as Hail Audit & Statistical Bureau and the name was changed to Rain & Hail Bureau in 1924.

In its first year, 1920, Mr. Cullison's organization wrote \$637,000 in premiums. At a testimonial dinner honoring Mr. Cullison in 1951 when he retired, it was noted that Rain & Hail Bureau in its 32 years had written more than \$100 million and it had some periods of bad losses and premium reductions that might have caused the bureau to dissolve had not Mr. Cullison maintained his faith in it and the companies their faith in him.

Mr. Cullison continued as manager of Rain & Hail Bureau until 1949 when he retired and was succeeded by S. K. Bjornson who had been his assistant for 25 years. Mr. Bjornson was killed in an automobile accident about six months later, and Mr. Cullison Cullison for 24 years served on the ad-Cullison for 24 years served on the ado of view was the sound, sensible one visory committee of Western Hail & that should logically be adopted.

tation of his idea to C. R. Tuttle, at committee for 20 years. In 1947 he was elected president of the association, the first non-company officer to occupy that position. That was the year he was instrumental in the organization of Crop-Hail Insurance Actuarial Assn., and he was president in 1948 and 1949.

In 1947 Mr. Cullison was made a consultant to Federal Crop Insurance Corp. and the next year became a member of the board, one of the first insurance men to serve in this capacity.

Mr. Cullison was one of those insurance men of imagination who were convinced that hall insurance did not need to be a "feast or famine" line, that it could be underwritten scientifically. He had a curiosity about all of the aspects of hail and the weather accompanying it, both from a scientific and historical standpoint. He was the author of several pamphlets on hail insurance, including some that were specially written for stock insurance agents and were of a strongly competitive nature.

Mr. Cullison combined his curiosity and imagination with persuasiveness, a quality which enabled him to maintain the role of leader throughout most of his insurance career. He managed frequently to get people to see things his way because his approach was not stayed on at the bureau as consultant to use pressure or authority, but to to the new manager, C. F. Laude. Mr. convince the doubters that his point

Compulsory In Mich. To Address Agents

James M. Hare, secretary of state and the foremost proponent of compulsory automobile insurance in Michigan, will be the headline speaker at the midyear meeting of Michigan Assn. of Insurance Agents in Detroit, Feb. 20-21. Mr. Hare was hit by an uninsured mo-

pendent Agent." There will be a second pendent Agent. There will be a savell. prize of \$50 and two \$25 prizes as well. Emphasis in judging will be on the definition that will best tell the public what is meant by the slogan "Your Independent Agent Agent Serves You First." The entries must be of 50 words or less.

Okla. Bureau Expands Criticism Form Procedure

Mr. Hare was hit by an uninsured motorist about two years ago and since that time has been on the stump for compulsory. Compulsory has also been something of a political issue with Mr. Hare.

Another feature of the meeting will be the awarding of \$100 to the agents submitting the best entry in a contest among members up to age 35 for the best definition of "independent" as it applies to the exact meaning of "Inde-





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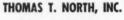
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Continental Casualty Hits \$204 Million In Premium Volume

Continental Casualty wrote \$240,-377,986 in net premiums in 1957, Roy Tuchbreiter, chairman, reported. This exceeded 1956 results by \$26,713,112, and was the second largest gain in the

company's history.

The A&H division reached a total premium volume of \$128,701,289, an increase of \$12,560,686. The reinsurance and excess and surplus lines division increased its premium volume to \$18,288,762, a gain of 45%.

Gives Clean Bill To Cal. Welfare Funds

At a recent national all-day conference to consider legislation regulating employe welfare and pension plans, held in San Francisco, Commissioner McConnell of California told a group of more than 300 persons from industry, labor, insurance, legislative and other interested bodies, that his survey of these funds to date indicates they are "clean" as far as California is concerned.

Federal Legislation Inevitable

One of the principal speakers was Senator Gordon Allott of Colorado, member of the Senate committee to investigate union pension and welfare plans. He said federal legislation is inevitable but the actual regulation, apart from the disclosure of the fi-nancial operations, should "and will" remain the province of the states. Julius S. Wikler, first deputy insurance superintendent of New York, said that in his opinion widespread lack of know-how and not "deliberate dishonesty" has been mostly responsible for a great waste of such funds' assets.

Commissioner McConnell, who has been developing a program under California's new law placing such funds under jurisdiction of the department, said he has requested persons to notify him of any real or sus-pected abuses, but so far, in his own check-up, he has not found real grounds for complaints he has received. The new California act calls for an advisory committee appointed by the governor to cooperate with the com-

Fire Underwriters Name Crockett At Salt Lake

Wardner B. Crockett, Home of New York, is the newly elected president of Intermountain Fire Underwriters Assn. Also elected at the annual meeting in Salt Lake City were: W. G. D'Evelyn, Aetna Fire, vice-president, and A. J. Skidmore Jr., Phoenix of Hartford, secretary-treasurer. The executive committee includes the officers and Neil L. Davis, North British group, past president, and Ray C. Thomas, Glens Falls, the new member.

Name Pickles Asst. V-P

W. F. Pickles has been elected assistant vice-president of Balboa and Arrowhead of California. Mr. Pickles joined the companies in 1954 as agen-cy supervisor and was made assistant secretary of both companies later the same year.

Birmingham Assn. Names Officers

Birmingham Assn. of Insurance Agents elected the following officers for 1958: Charles Wiggins, president; James Moore, vice-president; Law-rence Mackay, secretary; and Frank W. Whitson, treasurer.

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Business Fights Radical New York A&S Bills At Hearing

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premiums would increase up to an dorsed the ALC-HIAA-LIA arguestimated 40%, causing many to drop their policies. The legislation would inhibit the growth of health insurance and lead to compulsory state health insurance.

Sen. Samuel L. Greenberg of Brooklyn, a member of the committee, indicated employers and workers would gladly pay the "slight" increased cost to obtain greater protection.

Mr. Smith conceded that might be true, but pointed out the industry also objects to mandatory lifetime coverage to the exclusion of term.

Would Discontinue Coverages

Gerald S. Parker, A&S secretary of Guardian Life, said the bills would force his company to discontinue lifetime and term coverages. Guardian's lifetime policy pays up to \$7,500 for each sickness. Since coverage at older ages still is experimental in the major medical field, the policy contains a \$7,500 per person aggregate limit after age 65. No responsible insurer would remove this aggregate before acquiring some experience with it. If the bill to prohibit reduction of benefit levels because of age were enacted. Guardian's only alternative to discontinuing all hospital and medical coverage would be to impose the aggregate from the date of the issue of the policy. Thus, those over 65 would gain nothing and those under 65 would lose a great deal, he said.

Milton A. Ellis, 3rd vice-president of Metropolitan Life, said the bills would destroy term insurance and set a fixed pattern of coverage for everyone that would be contrary to the principles of voluntary insurance and free enterprise. It would reduce competition, price many plans out of the market and might eventually require governmental compulsion to force people to obtain coverage in order to make the program work. If the committee would encourage the sale of the higher-priced lifetime coverage, properly engineered, it might well consider providing a tax incentive to

Conversion Cost Is High

The cost of conversion is high because mostly older ages are involved, Donald S. MacNaughton, assistant general counsel of Prudential, pointed out. The cost is small when a group plan begins because there are few retirees. But the number increases as time goes on. If, after a few years, several group policyholders change insurers, the old insurer is saddled with the cost of all converted policies already on the books for each group and proportion between older and younger ages covered becomes distorted because the insurer no longer has the new active lives. This might well ruin a small company if it lost a couple of large group cases.

The proposals would outlaw existng guaranteed renewable major medical and hospital policies providing adjusted benefits at age 65, interfere with experimentation and expansion of coverages and deprive insurers of flexibility in designing their policies, John G. Kelly, assistant general counsel of Mutual of New York, as-

Donald Cody, 2nd vice-president and group actuary of New York Life, and Donald W. Whitehead, staff assistant to the secretary of John Hancock, told the committee their companies enments.

Moses G. Hubbard, general counsel of Commercial Travelers of Utica, said the bills would destroy his company because it is a non-profit assessment insurer which must raise and lower its rates to meet costs and cannot accumulate the reserves that would be required. Costs would be increased and the company's competitive standing would be hurt. The company sells by mail, stressing good service, and does not use agents.

Philip M. Kaiser, special assistant to Gov. Harriman on problems of the aged, said the administration's newly introduced legislation will do the job better and deal more efficiently with technical aspects than the Metcalf

The administration bills, sponsored by Sen. Greenberg and Assemblyman Max M. Turshen of Kings county, al-Metcalf committee member, SO allow A&S group certificate holders to convert at age 65 with no increase in premium and no decrease in benefits; prohibit cancellation of individual A&S policies after one year from date of issue, and allow retirees after age 60 to convert their group life to individual policies with a \$2,-000 maximum at a premium corresponding to the average for the group.

Developed At Governor's Request

These bills were developed at the governor's request by Mr. Kaiser, Su-perintendent Holz and Dr. Herman Hillboe, health commissioner.

Julius S. Wikler, 1st deputy super-intendent, outlined the new bills for the Metcalf committee. The legislation will achieve the desired goals, are actuarially sound, are within the financial means of employers and the public, and can be accommodated to the practices and principles of voluntary insurance without undue diffi-

Sen. Metcalf said Superintendent Holz had changed his tune on cancellation since last year when he called it "infinitesimal." The governor's bill would experience-rate the premium cost after conversion on the basis of the group contract in effect at the time of retirement, while the Metcalf bills would use the combined resources of all health policies of the insurer to establish a community-wide program, Sen. Metcalf said. This is a fundamental difference.

Summarizes Arguments

Robert S. Gyory, insurance manager of Sylvania Electric Products, Inc., made a statement that generally summarized the arguments of several large firms which sent spokesmen to oppose the Metcalf bills. He said the legislation would boost the costs of providing benefits, deny major medical benefits and possibly retirement coverage to employes, duplicate coverage under certain conditions, and reduce or eliminate benefits throughout the state.

Other firms opposing the bills were General Electric Co., National Biscuit Co., Albany Felt Co., Rome Cable Corp., Niagara-Mohawk Power Corp. and Socony-Mobil Oil Co. They and Mr. Gyory opposed the compulsory nature of the bills and emphasized that costs would be increased unduly. Several noted that their own programs already go beyond the scope of the Spokesmen for Associated Industries of New York State, Inc., Empire Chamber of Commerce, New Chamber of Commerce, and Commerce & Industry Assn. of New York, Inc., registered the disapproval of employer groups and business associations. They said the bills would interfere with the collective bargaining process between employers and unions and restrict the employers in what they must provide for workers.

William C. Breed Jr. and Roger Davis, lawyers for all Blue Cross and Blue Shield plans, in the state, respectively, generally endorsed the bills in a joint statement but asked for tech-

nical changes and clarifications on

various points.

John Lotz, assistant to the president of Group Health Insurance, New York City, suggested creation of a committee of legislative and executive department officials to meet with all insurers and the public to plan practical steps for providing conversion coverage. It would report at the next session. This drew no comments from the Metcalf committee.

Harris Goodman, representing attorneys for the trustees of Amalgamated Insurance Fund and Amalgamated Cotton Garment & Allied Industries Insurance Fund, said the bills would require employers in the garment industries to contribute 10% more to group plans. This would cause some employers to withdraw, he said.

Sen. Greenberg and Mr. Turshen



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wanted to know if the attorneys made their statement with the approval of the trustees of the funds, Mr. Goodman replied that he only represented the lawyers and did not know the answer to that question. The legislators indicated they would seek more information on this point from the

lawyers themselves.

Brief statements in support of the bills were made by Miss Grace Gustafson for the Business & Professional Women's Clubs in the state; Rev. Eric King, a Methodist minister of Schenectady, and Julian Bruce, for United Steelworkers of America members in the Buffalo area. They supported the bills on grounds they would help the aged and retired workers.

Eyes Work Of Bureau In Reducing Pilfer Loss of merchandise, valued at about \$5,000 were found abandoned on a New York

(CONTINUED FROM PAGE 18)

ous camera thief who had for several some 43 cameras. With the conviction years made a business of stealing expensive cameras from passengers of many major steamship lines with whom he mingled at the time of the ship's departure. So extensive were his operations that he was unable to remember the locations of many of the pawnshops scattered over New York, New Jersey, Pennsylvania and Connecticut where he had pawned the stolen cameras under a series of ali-ases. Investigation by the bureau and the New York City police department resulted in the recovery or location of

and sentence of this thief, it is believed that one of the major sources of camera losses has been eliminated. Mr. Dalzell said.

In one instance a suspicious claim for the loss of 450 cartons of hosiery valued at \$22,500 was investigaged by the bureau for an insurance member. As soon as the bureau's investigators completed their preliminary investigation and had interrogated several persons in connection with the loss from an export packing warehouse, the claim was unexpectedly and unexplainedly withdrawn.

Investigations by the bureau have also resulted in the return of lost and stolen property to members. Recently, when several cartons and cases

street, investigation in conjunction with the law enforcement agencies resulted in tracing the cargo back to several bureau members. The merchandise apparently had been taken from several piers in the port and was discarded when no ready market was found for such items as urns, vases, candles, braiding, sausage casings, etc.

During the past year the bureau started an important new activity, he said. At the invitation of the maritime industry, it launched a standard industry training program for all of the port's watchmen and guards.

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You may write us in complete confidence and we will not in any way jeopardize your present or past connections by contacting anyone or talking about your appli-

Submit a brief letter outlining your experience, background, age and education.

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Opportunity for right party, village of 1500 located 30 miles South of Lake Erie. Contact owner. Box Y-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Expansion program of multiple line company coupled with a retirement provides this challenging opportunity for experienced fieldman. Must have practicing knowledge of fire, marine and home owners forms and be willing to work. Write fully, All replies strictly confidential. Write to 80 X '7-5, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, III.

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Large general insurance agency in midsouth city desires first-class energetic man. Salary \$7500.00 to \$15,000.00 a year. Please write full qualifica-tions. Box Y-97, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, III.

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Controller wanted capable of preparing annual statement, monthly statements, doing normal bookkeeping. Good future with new, fast growing stock automobile company as head of department. Box Y-98, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, III.

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Company to write \$10.00 on Base only Auto Liability and Local Arizona Agent writing for nearby Air base—Volume \$6,000 per year with four year loss ratio of 1%. Write to Box Y-99, c/o The National Underwriter Co., 175 W. Jack-son Blvd., Chicago 4, III.

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Excellent opportunity experienced man to build Casualty Engineering Department. Agency mutual company. Age to 40. Underwriting experience considered. Salary commensurate. Top pension and medical plans for employees. Replies confidential. Write Alliance Mutual Casualty Company, McPherson, Kansas.

Central National Names Rochholz Secy-Treasurer

Max Rochholz has been elected sec-retary-treasurer and to the board of Central National group of Omaha to succeed Robert J. McKee, who has resigned.

Mr. Rochholz, who went with Central National in 1953, was former-ly comptroller for Iowa Mutual group and before that an examiner for the Iowa insurance department for 10½ vears.

Central National companies, specializing in insurance for installment financing institutions began operation in 1947 and are now in 41 states, Alaska and the District of Columbia. Premiums written in 1957 were \$14.8 million with life insurance in force of nearly \$200 million.

Results Of New Policy

WASHINGTON-A report from the Treasury Department on the bonding of federal employes shows that 957,-500 employes were covered as of June 30, 1957, under bonds procured under legislation enacted in 1955.

legislation enacted in 1955.

Rep. Murray, chairman of the House committee on post office and civil service, reported that during the 1957 fiscal year the law saved \$114,624 net (\$486,351 administrative savings less \$371,727 premiums paid for the government, compared to the 1955 fiscal year, and also saved federal employes \$1,725,067 in premiums over the form-\$1,725,067 in premiums over the form-er method of individual bond purchase.

The Post Office Department has 863, 000 employes covered, State Department, 22,196, Treasury 30,858, etc., down to 1,863 for the Justice Depart-

Annual premiums rates ranged from \$275 for a blanket bond for the small business administration division up to \$183,513 for the Post Office Depart-

Definer Joins Swett & Crawford

Roy V. Deffner, superintendent of the bond department of Central Surety in San Francisco since 1952, has joined Swett & Crawford as manager of their bond department in Oakland. Before joining Central Surety, he was bond underwriter with Century Indemnity and Continental Casualty in Chicago. He succeeds M. A. Green who was killed in an automobile accident last November.

Mutual Service Casualty has been licensed in California.

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Age 36. Past 3 years as President and or-ganizer of a cesualty insurance company. Prior experience in the general practice of law representing insurance companies and later as General Counsel of a large machine tool and aircraft accessories manudaturer. . . Experienced in the general administration and operation of all departments of casualty insurance company. . . . Would like to become associated with young growing company in the west or outh west having need of this knowledge. write Box Y-86, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Agency in northern half of Missouri or southeast portion of Nebraska. Minimum of \$75,000. in premiums. Heavy on individual risks. Premiums must be well diversified in Multiple Lines and predominantly non-farm business. Write:

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and Health Underwriter with 2 or 3 years experience. Salary commensurate with ability and
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with knowledge all lines. Excellent opportunity for future. Salary \$9,000. Reply Box Box Z-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Excellent opportunity for Home Office Inland Marine and Fire Underwriter with a minimum of 3 years experience. Salary commensurate with ability and experience. Company has Profit Sharing Plan and hospital, surgical and life benefits for employees. Location Southern Michagan. Write Box Y-84, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illiante

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Reply in confidence stating age, education, experience and salary expected.

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Criticize Efforts To Eliminate Courts, Bar, Insurers Agenda Prepared

(CONTINUED FROM PAGE 4)

Ballantine report, published in 1938, casualty companies have. Mr. Kilroe commented. This report, after berating the attorneys engaged in the negligence field, charged that the casualty companies were responsible for court congestion and went on to state that the companies, by their claim methods, had accumulated huge profits, accumulated big investments and acquired ownership of big buildings, all at the expense of the general

Only Logical Deduction

The only logical deduction that can be drawn from this indictment is that the government should operate the insurance business, Mr. Kilroe observed.

Nothing was said in the report to the effect that, under a system of free enterprise, stockholders of insurers were entitled to earn reasonable profits like the stockholders of other corporations; that the companies had protection to sell which the public was buying; and that many of the evils complained of during the growing pains of the industry long since had been eliminated. This theme has been reiterated time and time again since the Ballantine report was pub-

At present, the Harriman admin-istration has a bill pending in the legislature to close the loopholes in the compulsory auto law, by providing coverage for victims of the hitand-run accident, uninsured out-of-town cars, stolen cars, and cars that for some reason, at the time of the accident, were not covered by insur-ance. It is coupled with an impoundment statute.

Have Dramatized Misery

The proponents of an automobile compensation insurance plan have dramatized most effectively in the public mind the misery and economic losses that flow from accidents caused by the uninsured motorist. For example, a few weeks ago a young school girl stole a car and, while fleeing from the police at 60 miles an hour, swung over to the wrong side of the road and killed a driver proceeding in the opposite direction. The victim of this accident left a widow and two young children who must bear their loss without a penny in compensation. This case was in the headlines for more than a week. This and similar cases are ammunition in the hands of the social planners.

Take State At Its Word

He suggested that the state administration be taken at its word, that the state does not intend to enter the insurance business; that the indemnity corporation which is about to be formed will be operated by the private companies and used only to close the existing gaps in compulsory and that the machinery that will be set up to administer the new law will not be used as a base for entrance of the state into the casualty insurance field. The activites of the casualty com-

panies bring them constantly into the courts, Mr. Kilroe observed. It follows, that what happens to the courts

is a matter of grave concern to them.

In passing, it is to be noted that
now and in the past the claim has
been made that excessive verdicts threaten the financial structure of the casualty companies. This claim is of adopting the same form of state own-doubtful validity, Mr. Kilroe believes ership that the communists have."

automobile compensation plan is the Big verdicts are the best salesmen the

Are the verdicts today really excessive? The answer would appear to be no. The "project for effective jus-tice," now being conducted by the Columbia law school, made a study of returned by juries in personal injury cases in New York county during 1956 and 1957. These cases were carefully scrutinized by the judges in the calendar control part and were cases where the injuries were permanent and protracted. The average verdict was \$11,500. During the period analyzed, there were numerous verdicts for the defendant which were not considered in this analysis. Actually, the average verdict would be much lower than \$11,-

Positive Showing Only Argument

The only argument that can be given for supplanting the private insurance by government insurance would be a positive showing that the private insurance business has failed to furnish the protection the public needs, he declared. The State Fund was established because the private carriers refused to handle certain types of compensation risk.

A small storm now is brewing in this state over rates and the alleged widespread cancellation of coverage by certain companies. Whatever the other facts, he said, one thing is certain—insurance is so important eco-nomically that the public will demand that, if the private insurers will not furnish the service, the government must.

The casualty companies and other insurers have made a great contribution to U. S. industrial growth, Mr. Kilroe said. The government entering the insurance field would be a severe blow to the way of life here and a free economy. It would be the first step towards replacing the republic by a socialized state.

Industry Employs Thousands

The insurance industry employs thousands and it pays millions of dol-lars in municipal, state and federal taxes. No legitimate business can operate without insurance. It insures car, home and office. It enables the innocent victims of accidents to be rehabilitated and the widows and children of the men killed in accidents to be kept off the relief rolls. In an age of fear, it eliminates fear by affording protection for both corporations and individuals.

The insurance business maintains expensive safety divisions and has spent thousands of dollars on accident prevention programs for highways, homes and factories.

Has Met Challenge

Over the years, the industry has met the challenge of the times by providing adequate coverage for enlarged concepts of liability, he said.

Competition is the lifeblood of free enterprise. The competition between insurers still exists and the public has benefited by securing broader and better coverage at nominal costs. Under a state form of insurance, there could be no competition.

The country needs a strong insur-ance industry. "At a time when free individuals are waging a cold war to protect a free economy," he observed, "we cannot defeat communism by

For Institute On Regulation At MSU

LANSING—Plans are nearly com-pleted for the three-day institute of insurance regulation scheduled for Feb. 11-13 at Michigan State University and conducted by the Michigan department and Zone 4 of National Assn. of Insurance Commissioners.

About 125 departmental executives and staff members from 11 states are expected to attend and hear a panel of 10 industry leaders who are specialists in various phases of regulation. The host is Commissioner Joseph A. Navarre of Michigan, president of NAIC. The group will be greeted formally by Gov. Williams of Michigan. Mr. Navarre said the objective of the institute is "to stimulate a point of view with reference to insurance reg-ulation in the public interest; to review what insurance regulation in the public interest is, and how it is best accomplished."

Michigan Had Own Institute

The Michigan department had an institute of its own when Mr. Navarre first took office in 1951, also using the facilities of Michigan State.

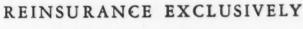
The institute will cover fire, casualty and multiple line rates and rating; history of insurance regulations; country club in West Orange.

examinations; distribution of insurance from a consumer's viewpoint, and the future regulation.

Representing the industry as speakers will be Robert E. Dineen, vice-president of Northwestern Mutual Life; Ambrose C. Kelly, manager of Factory Mutual Rating Bureau; Joseph F. Murphy, counsel of America Fore group; George H. Kline, vice-president and general counsel of Allstate; Roy McCullough, counsel of the Kemper companies; A. G. Straub Jr., assistant vice-president of New York Life; B. M. Anderson, vice-president and counsel of Connecticut General Life: E. J. Faulkner, president of Woodmen Accident & Life; T. C. Morrill, vice-president of State Farm Mutual Auto-mobile, and Bernard G. Stone, counsel of Mutual Benefit H.&A.

sel of Mutual Benefit H.&A,
Participating commissioners and
their staffs, in addition to Michigan,
will be: Joseph Gerber, Illinois; E.
W. Pfafflin, deputy, Indiana; Oliver
P. Bennett, Iowa; C. C. Sheehan, Minnesota; D. E. Mitchell, South Dakota;
Paul J. Rogan, Wisconsin; John Binning, Nebraska; Arthur I. Vorys, Ohio;
H. F. Nesley, West, Virginia and Wil-H. E. Neeley, West Virginia, and William B. Fox, deputy, Pennsylvania.

Garden State pond of Blue Goose will hold a dinner dance March 15 at the Hotel Suburban in East Orange, N. J., and the annual meeting and golf outing June 6 at the Rock Spring



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10% On Class 2, 15% On OthersSpreads Nationally

(CONTINUED FROM PAGE 1)

ing remain at 10% for the casual– authorization while announcing a unity coverages, and there is no change lateral commission reduction. Norin physical damage commissions.

Commissions to agents for automobile insurance in Chicago and Cook county are in the process of being chopped down by the bureau companies. Rates in the territory were increased 30% last fall.

Fireman's Fund announced that on Feb. 1 its automob'le commissions will be 15% in Cook county and it would pay a top of 20% for BI and PDL and 25% for PHD to supervising general agents. There is no change on class 2,

Standard Accident agents in Cook and contiguous counties have been notified that it will pay 20% commission to general agents in Cook county, 18% to regional agents, 17% to local agents, and on class 2 business the commission will be 10%.

15% For All Classes

Massachusetts Bonding has adopted a national program of paying 15% for all classes to general agents for class 2 and 10% to regional agents, local agents and brokers.

class 2 commissions of 15% to general agents and 10% to regional and local agents across the board on BI, PDL and PHD, by agreement with the agents and by contract, except that this program will not take effect in states where Zurich's merit policy is not in effect.

Yorkshire has reduced commissions in Cook county to 20% for BI and PDL and 25% for PHD.

Announcement by Travelers of lower commissions for automobile business in California has drawn a protest from California Assn. of Insurance Agents including charges that Travelers has made an incomplete reference to a letter sent out by the association and used the letter without

wich Union is making the same reductions, and it is reported that Aetna Casualty will do the same. The new auto rates in California include a five point reduction in acquisition cost al-

Travelers' new scale became effective Jan. 22 on private passenger liability business. It calls for 15% commission except for class 2 on which the commission will be 10% There is no change in physical damage commissions

The California agents maintain that Travelers incompletely described a copy of a mailing sent to its members dealing with the reduction in production costs allowance proposed by the National Bureau and Pacific Coast Advisory Assn. Also, it is held that Travelers, intentionally or not, produced the inference that the association endorsed the action of Travelers in reducing commissions.

Gives False Impression

gents and brokers. "Such an impression is false," a Zurich is instituting a program on statement by the association says. "No executive of the Travelers requested permission either to refer to our mailing or to reproduce it whole or in part. The association knew nothing of the contemplated action by the Travelers until it was called to its attention by its members. Furthermore, this association has traditionally and vigorously opposed any unilateral action with regard to commissions by any company or group of companies. The association's officers and directors have maintained over the years that commission arrangements are a matter of private contract between the individual producer and his carrier, and are never properly conducted on a unilateral basis by either party.

The action of Travelers, however,

seems to set the pattern for commissions on automobile liability lines on the Pacific coast. Aetna Casualty's commission change becomes effective Feb. 1 for new business and March 1 for renewals, and undoubtedly the other bureau companies will make similar announcements shortly.

Aetna Casualty points out in its announcement that the company does not expect a material reduction in the dollar commission income of producers. Because there is no change in physical damage commissions plus the fact that liability and physical damage rates are both increased, it will be possible for producers to maintain approximately the same level of automobile commission income as before. 'Thus the effect of the new program is stabilization of production costs rather than income reduction," the

20% For Oregon Automobile

company says.

Oregon Automobile of Portland has notified agents that commissions on private passenger BI, and PDL coverages will be reduced from 25% to 20% whether the coverage is written in a straight automobile policy or in a package policy of any type. The effective date is March 1.

The company adds that an analysis of its automobile business indicates a considerable amount of "mis-rating, which it accounts for by the heat of competition or oversight by the agent. This has been a substantial factor in the loss ratio and can be remedied by more diligent inquiry by the agent, it is stated. "In order to stem the deteriorated experience, we both must know a lot more about our risks than we have in the past," the company declares. "For this purpose, we are preparing a new questionnaire form which you will receive as soon as it comes from the printer."

Additionally the company is no longer going to write annual policies for a \$5 minimum, holding it is "tried to face up to this problem," and the minimum premium beginning Jan. 22 for any coverage is \$12.50.

Shows Slight Profit In Fire

In the fire line, Oregon Auto said it has showed a slight profit, but continuing inflation "and no realistic rate increase in sight" makes it necessary to reduce the dividends on all policies expiring after March 2 from 15% to 10%.

The company goes on to say that for the past several years it has refused all pressures to reduce commissions, and in doing so now it is not with the feeling that agents have been overpaid, but as managers of Oregon Auto "we would be failing in our trust to our stockholders, employes and you as agents if we did not take these positive steps, distasteful as they might be, that appear to be clearly necessary to insure a continuous, sound and consistent market for your policyholders." The notice concludes by saying that the reduction in commission will be restored as quickly as the normal profit returns to the com-

The New York assembly has passed a bill which will make parents liable up to \$250 for the delinquent acts of their children. This is similar to legis lation already enacted in a number of other states, including California, Pennsylvania, Michigan and Rhode

Hold Auto Rate OK In Utah Illegal, **Bureaus To Refile**

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn., after getting approval of a 13.8% increase for auto liability and a 2% increase in PHD, effective Jan. 22, in Utah, will have to withdraw the rates and refile. The rates were pronounced illegal by Attorney General Callister because the filing had not been opened to public inspection before they became effective.

The two rating bureaus indicated they would refile. Because state officials indicated that it would be satisfactory to do so, they will be the same rates with the same supporting information with a new effective date of Feb. 27. Insurance Commissioner Buckwell then can open the filing to public inspection and hold a hearing at his discretion. It was indicated that he would hold a hearing Feb. 19.

The attorney general broadcast his opinion that the rates as originally approved by Mr. Buckwell were illegal and he warned agents of possible penalties for any violation of his ruling. This produced such a state of utter confusion that the withdrawal and resubmission of the filing was decided upon.

Tenn. Rejects Auto Rate Increases

Commissioner Northington of Tennessee has rejected applications for increased automobile rates. Mutual Insurance Rating Bureau had asked a 23.1% increase and National Bureau of Casualty Underwriters a 21.1% increase in liability. National Automobile Underwriters Assn, has asked increases of up to 20% on comprehensive and 7.2% on \$50 deductible collision.

In identical letters to all three bureaus, Mr. Northington said the requests were disapproved "for the reasons that I, together with my staff, have not had sufficient time to complete the study of the voluminous record, reports, exhibits and the briefs of counsel" from the hearing the department conducted on the filings.

Length Of Study Indefinite

He gave no indication when he might complete the study. The Democratic primaries for governor and other state officers are to be held Aug. 7.

State Sen. Allen immediately accused Mr. Northington and Gov. Clement of "dangling \$8 to \$12 million a year in extra premiums before these insurers" in an effort to get support for the administration's candidate for governor. Sen. Allen himself is widely touted as a candidate for governor and has made automobile rates one of the top issues in this campaign. He agitated until he obtained the public hearing on the question last fall, and then demanded that the commissioner resign because he is a local agent in Clarksville.

Maurice E. Farrell has purchased the Philip C. Davis agency at Hood River, Ore. Mr. Farrell, who has owned and operated a local agency in conjunction with an accounting business, has disposed of his accounting interests and will devote his full time to insur-



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Frank N. Belgrano Named Chairman Of Occidental Of Cal.

Occidental Life of California and Transamerica group have attained a close relationship with the election of Frank N. Belgrano Jr. as chairman of Occidental. The Transamerica chairman was nominated by Occidental President Horace W. Brower to fill the post which has been vacant since the death of L. M. Giannini in 1952.

No newcomer to the life insurance business, Mr. Belgrano became an Oc-cidental director in 1931, served as vice-president from 1935 to 1947, and has been a member of the company's executive committee, specializing in finance, since 1954.

He entered insurance as a director of Western States Life, and at 33, he became executive vice-president and comptroller of Bank of America, N.T.&S.A. President of Pacific National Fire from 1930 to 1943, Mr. Belgrano took over the reins of Transamerica as chairman and president in 1953 following the resignation of Sam H. Husbands.

Approve Reorganization Plan

A reorganization plan adopted by Transamerica has been approved by the Federal Reserve Board. Designed to comply with the bank holding company act of 1956, the reorganization would create a new corporation, Firstamerica Corp., which would own the stock of Transamerica's banking subsidiaries. Firstamerica stock would be distributed share-for-share to Transamerica stockholders. Transamerica would continue to own and manage its insurance and other non-banking interests and would no longer be a bank holding company. If the plan is approved by Internal Revenue Department, it will be presented to Transamerica stockholders at the annual meeting, April 24.

General America Group Shows Improvement In '57

(CONTINUED FROM PAGE 2) trust and 3.73% as dividends to policyholders. The adjusted underwriting loss was .59%, and by companies was -1,49% for General of Seattle (including the merged General Casualty),-1.83% for the First National, and plus 3.51% for Safeco. The consolidated underwriting loss of .59% in 1957 compares with a consolidated loss of 4.03% in 1956.

General America group concluded 1957 with assets of \$218,072,000, a gain of \$16,349,000. Investments were increased by \$11,862.000 and real estate holdings by \$1,878,000. Liquidating value of General America Corp. stock is figured at \$133.13 a share as against \$126.72 the preceding year. This figures stocks at cost or market, whichever is lower, and bonds at amoritized cost. If these securities were included at market value as of Dec. 31, the increase in value would be \$12,728,895, or \$26.89 a share, making a total liquidating value of \$160.02 a share. Mr. Campbell remarked that the declining stock market of 1957 produced a small-er percentagewise loss to General America Corp. holdings than any of the generally recognized stock market

of General America Corp. has had to applied for.

North British Holds Field Conferences

North British group's field meeting for 1958 were kicked off with an eastern department meeting in Boston last week, with Secretary P. A. De-Gruchy presiding. W. L. Nolen, U. S. manager, and R. A. Hubbard, secretary and vice-president, attended from the home office.

The Michigan-Ohio department, headed by William Ludemann, manager, is holding its meetings next week in Detroit. Mr. Nolen will be on hand for that meeting, accompanied by H. P. Linn, assistant U.S. Manager.

Secretary C. L. Day will hold the midwest department meeting next week at the Union League Club in Chicago, with Mr. Nolen and Mr. Linn

The western department meetings at Kansas City will be held the latter part of next week under H. J. Hudson, vice-president, secretary and treasurer. Besides Mr. Nolen and Mr. Linn, H. W. Casler, assistant U.S. manager and George W. Dyer, secretary and vice-president, will be on hand from the home office.

Menner Moves, Expands

Leo B. Menner & Co., London Lloyds representatives at Chicago, moved to new, enlarged quarters in the Board of Trade building there on Feb. 1. President Menner stated that the new quarters increase the operating area five times and permit departmentalization of the fire, casualty, special risk and inland marine facilities A claims and accounting departties. A claims and accounting department will also be added. The company was organized last year after Mr. Menner resigned as executive vice-president and director of Stewart, Smith (Ill.) in charge of the Chicago

E. A. Henne Is Host To Chicago Insurance Distaff Executives Assn.

Insurance Distaff Executives Assn.

Members of Insurance Distaff Executives Assn. of Chicago were the guests of E. A. Henne, vice-president and western manager of America Fore group, at a reception and buffet supper in the new America Fore building in Chicago last month. More than 100 of the IDEA members were escorted on a tour of the offices by Mr. Henne and by H. P. Winter, vice-president, and C. R. Williams, secretary of America Fore. After supper there was a program for the benefit of the charter member fund of the distaffs, the income from which is used in connection with educational activities of women come from which is used in connection with educational activities of women in insurance. Frances Martensen, Moore, Case, Lyman & Hubbard, president, showed colored slides of the trip she took last summer to Europe with Florence Hansen, also of Moore, Case, Lyman & Hubbard.

make to take account of changes in business, Mr. Campbell said the first step was the organization of Safeco in

The company wrote \$23 million premiums last year, an increase of 32% over 1956. Sateco had an adjusted un-derwriting profit in 1957 of \$786,000, which Mr. Campbell said will be "one of the outstanding accomplishments in the automobile insurance field for the year."

General Casualty was merged into General of Seattle to follow the multiple line concept, and this was followed further with the organization of General Life, which began writing business he generally recognized stock market on Oct. 1 and is now licensed in 26 verages.

Reciting some of the developments 1957, \$3,058,000 of life insurance was

Survival Depends On Practice Of Rigid Economies

Survival of the capital stock fire and casualty insurance companies—who lost approximately \$1 billion in 1957—depends to a great extent upon the practice of rigid economies by both companies and their agents, a joint January luncheon meeting of Dallas company and agency men was

Speaking at a meeting of Dallas Assn. of Insurance Agents that drew 230 agents and company represent-tives were August Buchel, vice-presi-dent of Gulf Ins. Co., and James E. Wallace, president of the Dallas association who reminded agents that "our fortunes are inextricably bound up with the fortunes of our companies."

Mr. Wallace warned that although speciality and direct writers take the cream of the business, the agent must continue to insure as many substandard risks as possible.

"If we deny too many people the right to insure, we will be inviting federal regulation and socialized insurance under government control," he said.

Mr. Buchel noted various reasons for the industry's economic strain. "We are caught in the continuing spiral of inflation which has its effect on our expense ratio and our losses of all types. We are caught by the lag in rate relief and by a sharp decrease in the market value of stocks and bonds."

He cited the automobile field as an example of "paying 1958 BI and PD losses on a rate predicated on 1953-55 experience."

Plight Is Not Hopeless

After assuring his listeners that the 'plight of the industry is certainly not hopeless," Mr. Buchel warned that "to survive, the companies must adhere to a rigid economy program and watch closely every expense item."

His recommendations were:

 Agents should give more attention to underwriting details, supplying as much information as possible on the applicant and noting with a memorandum further details on the undesirable and substandard risks.

• Combat the direct and speciality writer by initiating programs of close contact with customers, starting with represented by counsel not of their a personal call before issuing renew-

· Attempt to keep the customer's insurance scaled to realistic present-day values. To effect this, fewer minimum policies should be written.

• Tighter control of the flat cancellation privilege. Twenty-eight per cent of policies issued are cancelled. The blame for much of the waste lies with the automatic issuing of renewals without customer contact and the 60-day cancellation period, which should be changed to 30 days.

Mr. Wallace endorsed Mr. Buchel's recommendations and made his own to agents: Streamline bookkeeping, eliminate sloppy policy writing and rating, and make time studies to check costof-operations in the individual agen-

He advised companies to: Shorten visiting time by field men, have more training and study hours for company men, impress the loss department with their importance to the insurance-buying public, and increase co-operation in advertising the idea that "your independent agent serves you

Seek To Quash Maryland UJF Law

Suit has been instituted in circuit court at Baltimore by two insurers, a business concern and an individual citizen to contest the validity of the Maryland unsatisfied claim and judgment fund which begins with the new auto license year. The court is asked to enjoin the motor vehicle commis-sioner and other officials from enforcing the law and assessing the fees which accompany it.

The suit is brought by Allied American Mutual Fire of Boston, Lumbermens Mutual Casualty, Sidney T. Burgess as an individual citizen, and Lord Calvert Laundry & Dry Cleaners, and names as defendants the commissioner of motor vehicles, C. S. Jackson, insurance commissioner, members of the UJF board, and the state treasurer.

These opponents of the UJF law say that every person registering as an uninsured motorist has to pay a fee of \$8 and that every insured motorist has to pay \$1, while the insurance companies are liable to assessment to the extent of one-half of 1% of direct premiums written in the preceding year or 10% of the estimated deficiency of the fund, whichever is smaller, and that these and other pro-visions of the act are "unconstitutional, invalid, null, void, and of no effect" because:

-The act is not sufficiently described.

—The provisions are contrary to a section of Maryland law which pro-hibits the taking of private property for public use without just compensation.

-The U.S. Constitution is violated by depriving persons of property without due process.

-The act constitutes an unlawful delegation of legislative authority.

-It constitutes a law impairing the obligation of contracts contrary to the Constitution of the U.S.

-Contemplates withdrawing funds from the state treasury in violation of a section of Maryland law.

—It requires authorized insurers to engage in the unlawful practice of law on behalf of and for benefit of persons with whom they have no contractural relation and no financial re-lation and in the litigation of claims the companies will necessarily violate the ethics of the legal profession and will cause uninsured motorists to be own choosing.

Deaths

(CONTINUED FROM PAGE 21)

rector of American International Co., and treasurer and director of U.S. Life, died at his home in New York City. He entered insurance in Shanghai in 1920 as accountant for C. V. Starr, chairman of AIU, who was then an agent for American Insurers there. He helped organize AIU in the late 1920s, and in 1920 organized Underwriters Bank, a leading Hongkong financial institution, of which he later was president. He joined U. S. Life as treasurer and director in 1937, and held those positions until 1947, when he was elected president and director of American International Co. He retired in 1951.

CLARE E. McGEORGE, 69, Buffalo agent and a veteran of 46 years in the business, died there.

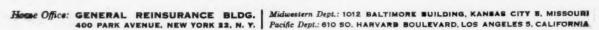
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